



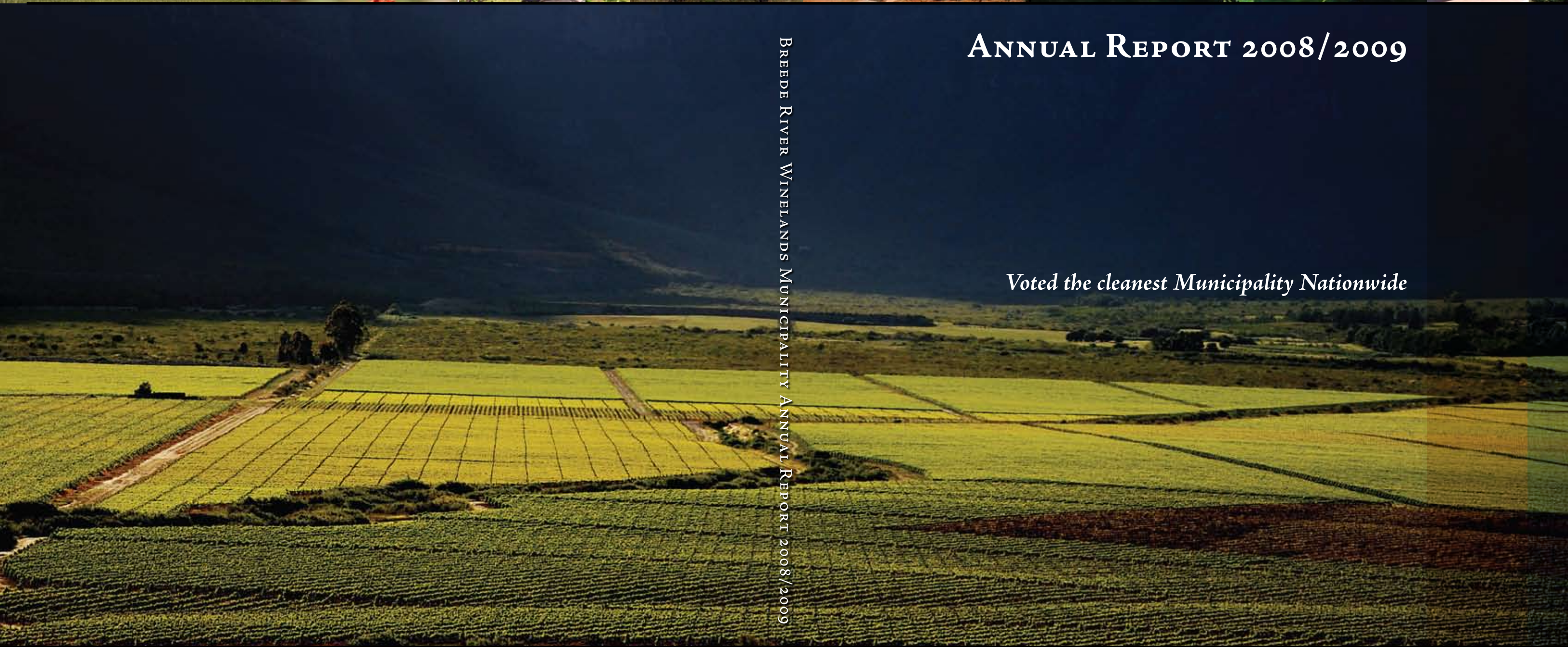
BREED RIVER WINELANDS MUNICIPALITY



ANNUAL REPORT 2008/2009

Voted the cleanest Municipality Nationwide

BREED RIVER WINELANDS MUNICIPALITY ANNUAL REPORT 2008/2009



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VISION

Together we strive for a unified, prosperous community where people are at the centre of development.

MISSION

Council will achieve its vision to:

- establish a good and transparent Local Government
- provide equal, sustainable and affordable services to all
- enhance cooperation between all relevant stakeholders through community participation processes
- establish and improve social and economic development for all
- enhance sustainable environmental development



BREEDERIVER WINELANDS MUNICIPALITY

THE VALUE SYSTEM

The eight *Batho Pele* Principles include:

- **Consultation** – the public should be consulted about the level and quality of public services they receive and, where possible, should be given a choice about the services offered.
- **Service Standards** – the public should be informed what level and quality of public service they will receive, so that they are aware of what they can expect.
- **Courtesy** – the public should always be treated with courtesy and consideration.
- **Access** – all members of the public should have equal access to services they are entitled to.
- **Information** – the public should have accurate information about the services they are entitled to receive.
- **Openness and Transparency** – the public should be told how administrations are run, how much they cost and who is in charge.
- **Redress** – if the promised service is not delivered the public should be offered an apology, a full explanation, and a speedy and effective remedy; when complaints are made, the public should receive a sympathetic and positive response.
- **Value for money** – public services should be provided economically and efficiently, in order to give the public the best possible value for money.



BREEDERIVER WINELANDS MUNICIPALITY

FOREWORD BY THE EXECUTIVE MAJOR



With the inception of the local government in 2006, the ANC promised the people of the Breede River Winelands/Langeberg municipal area an improvement of community services.

Yet housing still remains the biggest challenge in achieving the goal of a better life for all. Nevertheless, looking back two years down the line, greater strides have been made in addressing this problem. I am satisfied that each and every household now has running water, as well as sanitation in the municipal land. While we experience economic meltdown, certain towns such as Robertson is experiencing a boom in development and therefore also an increase in job opportunities.

Transformation was inevitable for the municipality as an organization in 2006 to meet the ever changing needs

of the inhabitants. I am therefore satisfied that we have almost achieving this goal. The unqualified audit opinion received from the Auditor-General in the last fiscal year made us proud and confident of our financial controls and management.

During the elections of 2009, the ANC promised to work together with the people and in doing so, it believes, a lot can be achieved. To this end we restructured and realigned our ward committees to reflect the constituency. Together with the ward councilors they champion the IDP processes and the PR Councilor substitute ward councilors as chairs of the ward committees. As an ongoing strategy to touch base, Mayoral Imbizos, Munithetha and radio interviews are a few of the initiatives, the municipality embarks upon, to communicate with the communities.

Councillor John Ngonyama
Executive Major





The 2008/9 financial year was yet another outstanding year for the Breederiver Winelands Municipality (BRWM) with many great achievements and successes. The Municipality achieved high standards of quality service delivery resulting to service excellence awards being awarded to the Breederiver Winelands Municipality BRWM.

The BRWM was presented with the Cleanest Town in the Western Cape award and was automatically entered into the national competition to compete with the winners in other provinces. In this competition we won the title of the Cleanest Town in South Africa. The prize money was R 1 000 000, which will be utilised to buy equipment for the recently built state of the art recycling plant in Zolani and the other waste minimisation initiatives that have been implemented by the municipality.

As stated previously, service delivery is the municipality's main focus, as we want to ensure that we create a better life for all our citizens. There are huge service delivery challenges but we are determined to deal with them with a well-orchestrated service delivery plan. The following are some of the service delivery projects that have already been undertaken:

1. Upgrade of Water Supply in Ashton

It is common knowledge that the quality of the water supply in the Ashton area was less than desirable, although it was safe for human consumption. During financial year under review this was upgraded and the quality of the water supply has substantially improved. This is only the first of a number of improvement projects that will be undertaken throughout the municipal area. We have a programme to upgrade the quality of the water supply in all towns within the jurisdiction of our municipal area.

2. Building of Reservoirs

We all know that certain areas of Montagu and Mc Gregor have been experiencing water problems. It is with this in mind that we have built two new reservoirs; one in Montagu and another in Mc Gregor in order to improve the supply of water in the affected areas.

3. Tarring of Roads

There are a high number of gravel roads in our municipal area, which results in inequity in service delivery. The municipal council decided that an annual allocation should be put aside in order to begin to deal with this challenge. During the reporting financial year we have tarred 2.078km

of gravel roads as opposed to the 1.6km we tarred in the previous financial year.

4. Electricity Upgrades

In order to ensure that the municipality meets with the demands of economic growth, it has awarded a R 18 000 000 contract to upgrade the main feeder in the Robertson area. A further allocation has been made to upgrade the Maximum Notified Demand with Escom in order to provide more capacity to factories that have applied to expand their production capacity.

5. Housing Delivery

After a long deliberation, the Provincial government has approved all our housing projects in Bonnivale, Zolani, Montagu, Robertson North and Nkqubela. These projects are now underway but we experienced problems with the contractor that was appointed to deliver the housing projects in Robertson North and Nkqubela. This necessitated us to cancel the contract and make use of small contractors within our municipal area. Whilst this approach is developmental and provides job opportunities for local contractors, it has its own challenges in many respects. Nevertheless, I am pleased to report that our intensive programme to provide housing opportunities for all is well underway.

6. Municipal Viability

It is important to report that the Auditor-General has just completed his audit of our financial statements and records. He has given us an unqualified audit opinion. Furthermore, despite the bad economic times we find ourselves in, our revenue collection has increased from 94.8% in 2007/8 to 97.5% during the 2008/9 financial year. Our cost coverage ratio has increased from 4.05 to 4.59 and the ratio of outstanding debtors in relation to the revenue has decreased from 14.18 to 10.7.

Integrated Development Plan (IDP)

The IDP is the municipality's key development strategy. It guides both the community and staff with regards to resource allocation in line with the developmental needs of each ward. The IDP will guide us all in effective planning and implementation of service delivery in such a way that the BRWM will be a unified and prosperous community where people will be at the centre of (the) development(s).

We are extremely proud of our achievements in 2008/9 and we will continue to grow from strength to strength in the coming years.

S.A. Mokweni
Municipal Manager

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Overview of towns of the Breede River Municipality
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CHAPTER ONE

OVERVIEW OF THE TOWNS OF THE BREEDE RIVER WINELANDS MUNICIPALITY



“The municipal area consist of 3 334,52 km² which includes the towns, Ashton, Bonnievale, McGregor, Montagu, Robertson and surrounding rural areas”

MCGREGOR

The village of McGregor was laid out in 1861, the population then totaling 50. In 1894 a village management board was established and in 1907 the village became a municipality. McGregor was originally known as Lady Grey, but the name was changed in 1905, to avoid confusion with Lady Grey near Aliwal North. It was renamed in honour of the Rev Andrew McGregor, who had been the Dutch Reformed Church minister of the Robertson District for forty years.

ASHTON

With the completion of the railway line from Worcester to the coastal regions in 1887, the trading post, Roodewal,

became a railway station, and shortly afterwards was renamed Ashton, in honour of Job Ashton, director and railway engineer of the New Cape Central Railways (Ltd). For several years the settlement consisted of only a railway station, warehouse, hotel, post office, butchery, a little school, one shop and a few houses. During 1939 and 1940 extraordinary growth took place with the opening of the Langeberg Co-operative, resulting in the farmland being divided into plots. Development received a further boost with the establishment of a second canning factory in 1949. In 1956 Ashton gained municipal status.

BONNIEVALE

In 1902 a railway halt was constructed between Robertson and Swellendam and was called ‘Vale’. In 1917 the halt received full status as a railway station and was then called Bonnievale. In 1922 a village management board was elected. The town received full municipal status in April 1953.



BREEDERIVERWINELANDSMUNICIPALITY

MONTAGU

Montagu, once known as 'Agter Cogman's Kloof', lies between the Keisie and Klngna Rivers. The only exit to the west was through Cogman's Kloof, and strong teams of horses or oxen were needed for the journey. John Montagu, the British Secretary of the Cape Colony based in Cape Town in the 1850s, envisaged the potential of the Cape Colony, but realised that it could never develop without efficient transport and communications. Montagu was aided by pioneering road engineers to create passes through the mountain barriers. Through his efforts, the country could be developed agriculturally and he became a popular figure. In Tribute to him the village was officially named Montagu in 1851 and he traveled there to 'baptize' the town.

It is not known when the springs were discovered, but early trekkers followed the course of rivers and some camped in the vicinity of present-day Montagu. They drank the clear, strangely-flavoured water, found it wonderfully refreshing and traced its course through the kloof to where they discovered the hot springs. News of the healing waters spread quickly and many visitors began to visit the area. The springs form part of the now popular Montagu Baths.

ROBERTSON

Robertson was founded in 1853 and named after Dr Robertson, then pastor at Swellendam.

Robertson is one of the largest wine-producing regions in the Republic: its most famous product is dry white table wine. At the local KWV distillery there are 128 stills, which must make it the largest in the world. Another important Industry is the factory of Food and Nutritional Products (Pty) Ltd., which manufactures condensed milk, among other products.

Because of the area's relatively low rainfall, there is intensive irrigation. About 25 km of irrigation canals, leading from the Breede River, carry water that is pumped by electricity as far as Montagu. Robertson is South Africa's first irrigation district.

Although the rural area is in extent much larger than the urban areas, the majority of the population reside in urban areas. As the agriculture sector is currently experiencing economic difficulties, it is envisaged that more people will move to 'be urban areas to seek employment. The spatial implication of this is that the residential need in the towns will increase with subsequent pressure on resources such as water and energy.

Land needs to be identified for small-scale farmers. The area is characterised by low rainfall and therefore water is a fairly scarce commodity. Currently, rural and urban uses compete for this commodity.

The Keisie is currently a major fruit-producing valley. However, the rural community is amongst the poorest in the region. Another challenge for the valley is sufficient water supplies to support any further development. Because the economy of the area depends largely on agriculture people are subject to seasonal income. Living standards are lowered to a large extent during the off-season. Problems within agriculture, such as the closure of production plants and factories, as well as surpluses in the wine industry, contribute to the poverty situation. The region's potential for tourism is well known and recent studies have highlighted various options for development in this regard. It forms part of the well-known Route 62.



CHAPTER ONE

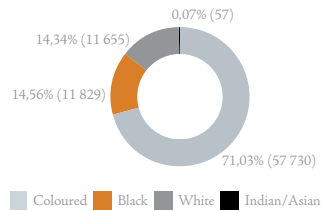
OVERVIEW OF THE TOWNS OF THE BREEDE RIVER WINELANDS MUNICIPALITY

DEMOGRAPHIC PROFILE

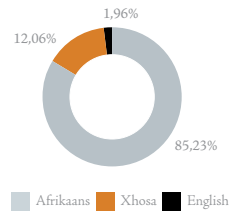
Population (2001 Census survey):

The demographic profile of the Breede River/Winlands Municipal Area:

POPULATION



LANGUAGE



LABOUR MARKET STATUS – 15 - 65

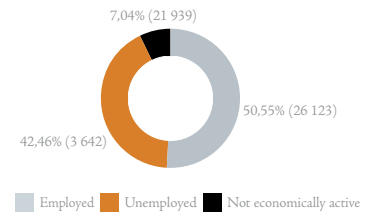


FIGURE 1 POPULATION

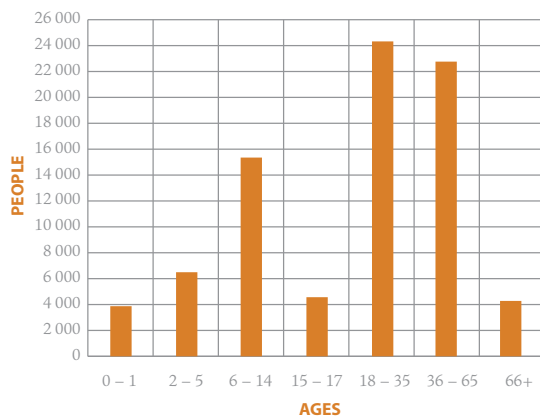
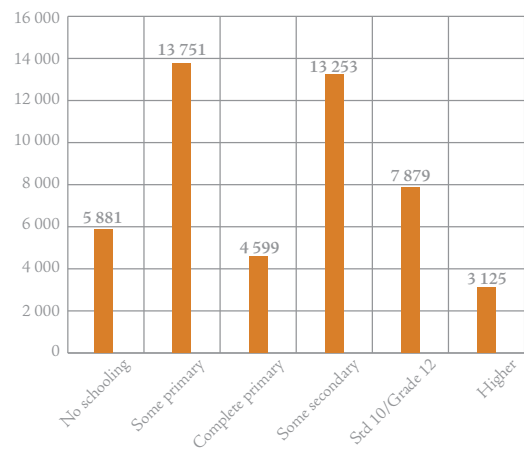


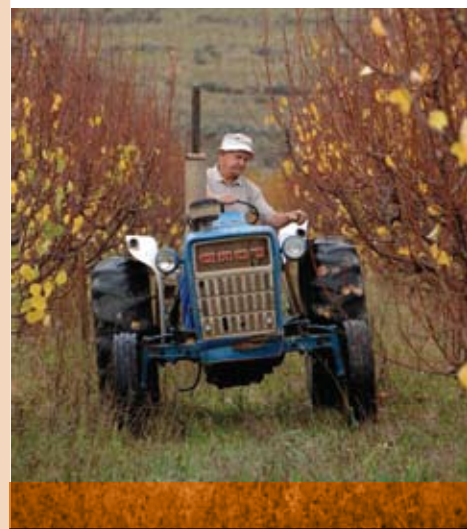
FIGURE 2 EDUCATION



Chapter Two

SERVICE DELIVERY HIGHLIGHTS

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CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

The division and content of this chapter is derived from Key Performance Areas presented in the Guidelines for the Development of Municipal Section 46 Report 2006/07 Financial Years(2007) presented by the Department of Provincial and Local Government (DPLG). It also has taken into consideration the Performance Monitoring, Reporting and Evaluation: Outlook 2007-2011.

KPA 1: Municipal Transformation and Organisational Development

Filling of Section 57 posts

Breede River Winelands has a full staff complement at Section 57 level.

The Executive Management team behind the achievement of the municipality's strategic goals during 2008/09 is;

- Mr S A Mokweni – Municipal Manager
- Mr MJ Mhlom – Director Community Services
- Mr J de K Jooste – Director Infrastructure Development
- Mr CF Hoffmann – Chief Financial Officer
- Mr AWJ Everson – Director Corporate Services

Employment equity

Compared to 2007/08, there has been considerable improvement in employment equity landscape. Figures for Africans, Coloured, and Females have increased.

Table 1: Total Employment Equity statistics per directorate as of June 2009

DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Infrastructure Development	62	159	0	38	259	20	239
Community Services	80	169	0	22	271	86	185
Finance Directorate	11	30	0	17	58	29	29
Corporate Services	7	13	0	8	28	19	9
Municipal Manager's Office	11	15	0	8	34	18	16
Total:	171	386	0	93	650	172	478



BREEDE RIVER WINELANDS MUNICIPALITY



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SERVICE DELIVERY HIGHLIGHTS

Table2: Employment Equity statistics per directorate as of June 2008

DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Infrastructure Development	57	164	0	34	255	16	239
Community Services	65	161	0	22	253	66	187
Finance Directorate	9	16	0	20	45	24	21
Corporate Services	4	13	0	7	24	18	6
Municipal Manager's Office	9	17	0	7	33	19	14
Total:	144	371	0	90	610	143	467

Learnerships

- Five employees started with the Road Works Learnership.
- Twenty two employees started with the Water Works Learnership.

Municipal budget spent on implementing workplace skills plan.

Below is Information indicating the quantum of municipal budget allocated to skills development and percentage spent.

Table3: Municipal budget spent on implementing workplace skills plan.

FINANCIAL YEAR	BUDGET	EXPENDITURE	PERCENTAGE SPENT
2008/2009	580000.00	507926.00	88
2007/2008	580000.00	232147.00	45
2006/2007	490000.00	327906.00	67

Performance management system

Huge strides were made in implementing Performance Management at both organisational level and employee level.

- For the purpose of monitoring and evaluating the municipality's performance against the Service Delivery Budget and Implementation Plan, a corporate scorecard with high level objectives, indicators and targets was developed.
- Progress and performance against the scorecard was assessed every quarter and reported to Mayoral Committee and Council.
- Section 57 Performance agreements and Performance Plans were concluded in terms of the Municipal Regulations and were assessed on quarterly basis.
- For objectivity and fairness, a Performance Evaluation Panel/Committee was established to evaluate Section 57 Annual Performance
- A draft Performance Management Policy for non-Section 57 employees was developed.



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

KPA 2: Basic Service Delivery

Access to free basic services

Water and Sewage

- ✦ 100% Percentage of households with access to all basic household services;
- ✦ 100% Percentage of households with imputed expenditure of less than R1 100 per month have access to all free basic services
- ✦ To ensure sustainable supply of water, the 1050 metres and 1600 metres existing water networks in Robertson and McGregor were upgraded.
- ✦ The new reservoirs in Montagu and McGregor were built and now in operation.
- ✦ The existing sand filters at the purification plant were upgrading.
- ✦ 10 new standpipes in Bonnievale and McGregor were installed.
- ✦ The existing sewer networks in Robertson, including the connection of 180m new mains were upgraded.
- ✦ 10 new toilets in McGregor were built.

Electricity

- ✦ Robertson Main substation Phase 1 was upgraded at the cost of R7 200 000.00. The project will benefit all inhabitants of Robertson as well as the surrounding rural areas. This ensures that sufficient electrical capacity is available for economical development and housing developments
- ✦ The upgrading of the feeder protection Ashton Main substation was completed at a cost of R 265,000.00, to the benefit of the communities of Ashton, Zolani and surrounding rural areas

✦ To ensure compliance with national safety standards and sufficient supply capacity, the 11 kilo-volt and 400 volt feeders were upgraded, to the benefit of the inhabitants of rural area in Langverwacht, Bonnievale, Bonnievale town, Montagu town and Talana, Montagu.

- ✦ To improve energy savings, 126 streetlights and 500 lamps were replaced with more efficient lamps in Ashton, Bonnievale, Montagu, McGregor and Robertson.

Housing

- ✦ During the 2008/09 financial year, 84 of the subsidized low cost RDP houses were build against the target of 233. This was much lower than 280 houses build during 2007/08. Non payment of sub-contractors and the non compliance with the National Home Builders Registration Council (NHBRC) by a contractor resulted in the low delivery of houses. To mitigate the problem, the department will work closely with the NHBRC and cancel the contract with the said contractor and complete the project utilising emerging suppliers.
- ✦ the building of houses in Robertson infill sites

Swimming Pools

The municipality has two swimming pools in Robertson. Although there is no official record of the visitors making use of these pools, during the 2008/09 financial year, the municipality generated more than R127 093.27 in revenue. This is an increase from the R118 412.50 generated during the 2007/08 financial year. The department expended 99% of the R192 640.14 budget to complete the necessary maintenance work on the Dirkie Uys Street and Robertson North swimming pools.



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Community Halls

The department allocated and spent R 277 000.92 to maintain the community halls and the maintenance work was 97% complete.

The target to build the new hall could not be met, due to the cancellation of the project because of an appeal against the building site.

Community Hall projects:

1. Upgrading of Happy Valley Library
2. Upgrading of Barnard Hall
3. Upgrading of Robertson Town Hall (Kitchen)
4. Painting of the municipal offices in Ashton.
5. Painting of the municipal offices in Robertson.

Town Planning

The determination of the 1/100 year floodlines of the Kingna and Keisie rivers (Montagu) and Hoeks and Houtbaais rivers (Mcgregor) were successfully completed to give adequate information to the public and Council regarding the possibility of floods in certain areas and other risks

Building plans: It is encouraging to note that the performance of our systems and processes improved significantly during the year. While this meant that we processed building plans more quickly, the number of building plans we received dropped as the level of building activity in the municipality decreased slightly. We processed all the building plans for developments under 500 sq m and gave feedback to customers within 30 days. We processed all building plans for developments over 500 sq m and gave feedback to customers within 60 days.

Table 4: Town Planning

CATEGORY	2006/2007	2007/2008	2008/2009
Building plans approved	637	678	542
Encroachments approved	88	64	64
Encroachments not approved	9	53	0
Building plans not approved	15	5	64

Roads:

The target of tarring 1600 meters of road was exceeded by the department and 2078 meters were tarred:

Table 5: Roads

STREETS TARRED IN 2007/8		STREETS TARRED IN 2008/09	
Sweatpea Street	57m,	Nel Street	184
Roosmaryn Street	121m	Hibiscus Street	178
Nonyawaza Street	205m	Slag Street	90
Nyamana Street	232m	Viooltjie Street	270
Rorwana Street	237m	Peperbos Street	223
Mabombo Street	274m	Mimosa Street	117
Mpini Street	144m	Mafika Street	315
Ngonyama Street	28m	Populier Street	334
		Majola Street	282
		Buitekant Street	85
Total:	1298	Total:	2078

CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Disaster Management and Fire Services

- The Disaster Management Plan was revised within the legislated time-frame and included in the Integrated Development Plan.
- 100% of the Disaster Management Programme was implemented, the same achievement as in 2007/08.
- The department attained the average response time of 12.81 minutes to all fires incidents against the target of 40 minutes. This is a 2 minute improvement from the 2007/08, 14 minute response time.
- During the 2008/09 financial year, the department responded and extinguished all 172 reported fires compared to 179 fires in 2007/8 and the 168 fires during the 2006/07 financial year.

Bucket System Eradication

There are currently no bucket toilets in Breede River Winlands Municipality.

Indigent Policy implementation

Approximately 4 656 indigents were identified during the 2008/09 financial year, compared to approximately 4 668 indigents households identified during 2007/08.

Table 6: Indigents per town

2007/08		2008/09	
Robertson	1676	Robertson	1532
McGregor	40	McGregor	67
Ashton	1202	Ashton	1184
Bonnievale	607	Bonnievale	543
Montagu	1143	Montagu	1330
Total	4668	Total	4656

Outstanding amounts to the value of R 3 431 147.71 owed by indigents was written off during the 2008/09 financial year, compared to approximately R 374 996.95 owed in 2007/08.

KPA 3: Local Economic Development

Development and implementation of LED strategies and plans.

Funding to the amount of R 896 100.00 against the target of R 1.3million for sustainable livelihoods or poverty alleviation project was received from provincial department of Social Development

LED department has successfully applied and received the Neighborhood grant of 12million rand for the development of neighborhoods in our area to attract investment and development to the townships to stimulate development

- SMME development was facilitated through the approval of seed funding application for the following businesses;
 - Babalwa's B&B - Nkqubela
 - Scheepers' Car Wash - Ashton
 - Yvonne's Catering - Ashton
 - Omega International Events - Robertson
 - Naomi Services - McGregor
 - Nigel Keith Printing - Ashton

CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

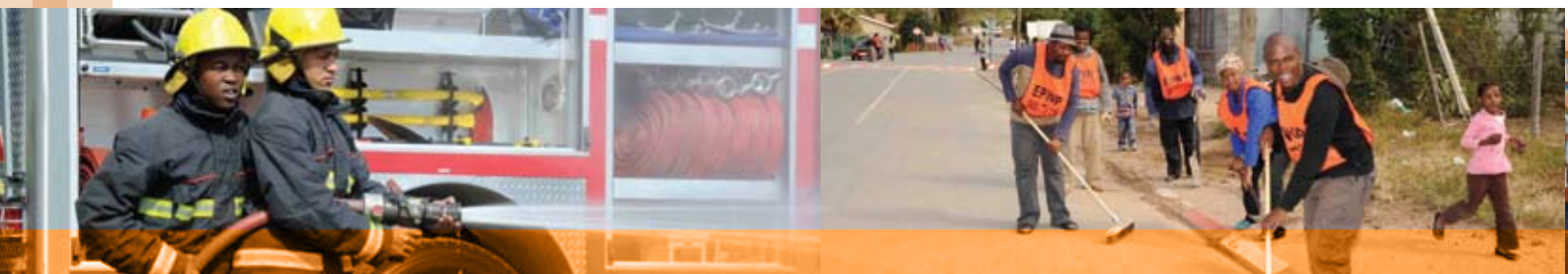
- ♦ Roseline's B&B - Bonnievale
 - ♦ Umhlobo & Fun Adventure Tours - Robertson
 - ♦ Lingelethu cash store - Nkqubela
 - ♦ Van Ensland Catering - Robertson
 - ♦ Zolani B&B - Zolani
- ♦ Seven training programmes were implemented; in snail harvesting, bakery and confectionary training, jam and pickled vegetable manufacturing, as well as in tendering and business skills.
 - ♦ Number of jobs created through infrastructure capital projects:
 - ♦ The township cleaning program interventions created temporary employment for a total of 376 unemployed persons of which 166 are female and 210 male.

Expanded public works programme (EPWP)

The EPWP is one of Breede River Winlands Municipality's initiatives to bridge the gap between the growing Winlands economy and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development in the area.

In the municipality, the programme set a target of providing employment opportunities and training through the labour-intensive Municipal Infrastructure Grant and Breede River funded infrastructure projects.

- ♦ Breede River Winlands Municipality had four medium to large scale infrastructure and labour-intensive projects.
- ♦ There was an increase in the number of jobs created through the EPWP during the 2008/09 financial year with a total of 376 jobs created compared to the 369 jobs created in the 2007/08 financial year.



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

KPA 4: Municipal Financial Viability and Management

Financial viability

Breede River Winelands Municipality measures and monitors its financial viability using general key performance indicators prescribed by Section 43 of the Municipal Systems Act No. 32.

Table 7: Financial Viability

NKPI	BASELINE(07/08)	TARGET (08/09)	ACTUAL (08/09)
Recover of debtors	94.8%	97%	97.5%
Debt coverage	31.10	≥ 20	26.74
Cost coverage	4.05	≥ 4	4.59
Outstanding debtors in relation to revenue	14.18%	$\leq 10\%$	10.70%

Figure 3 Cost coverage

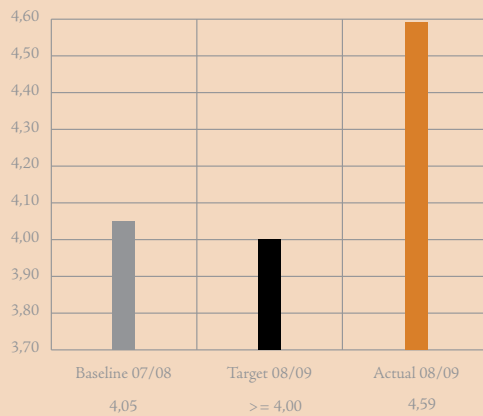


Figure 4 Debt coverage

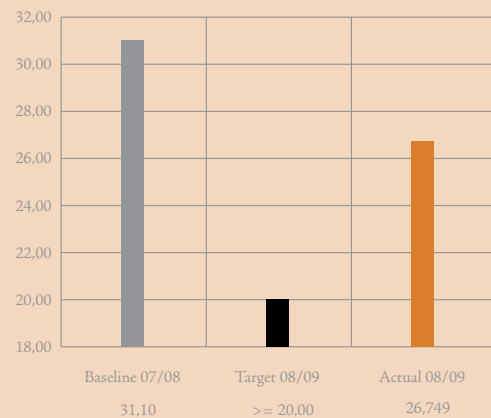


Figure 5 Recovery of debtors

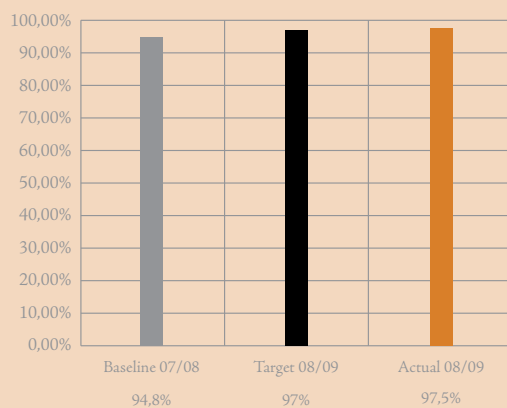
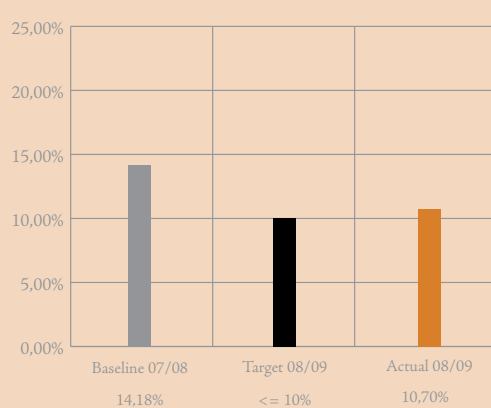


Figure 6 Outstanding debtors in relation to revenue



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Table 8: Municipal budgets, expenditure and revenue sources

	% VARIANCE BETWEEN ACTUAL & BUDGETED EXPENDITURE	VARIANCE	BUDGET	ACTUAL
Revenue	7.48%	18 614 488	249 004 264	267 618 752
Operating Expenditure	5.03%	13 305 604	264 576 952	251 271 348
Capital Expenditure	23.82%	14 493 978	60 845 900	46 351 922

Figure 7

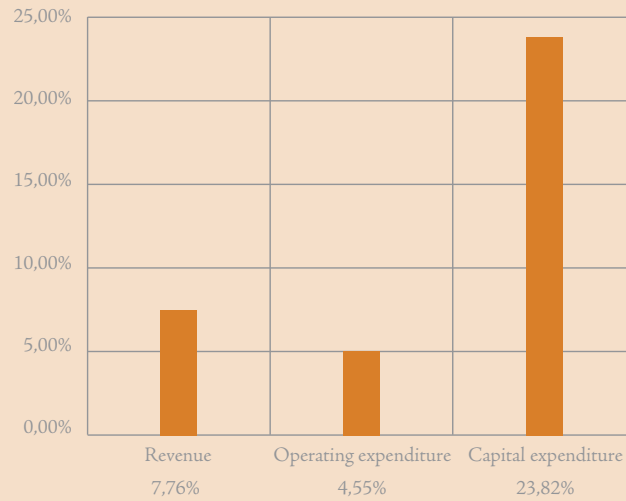
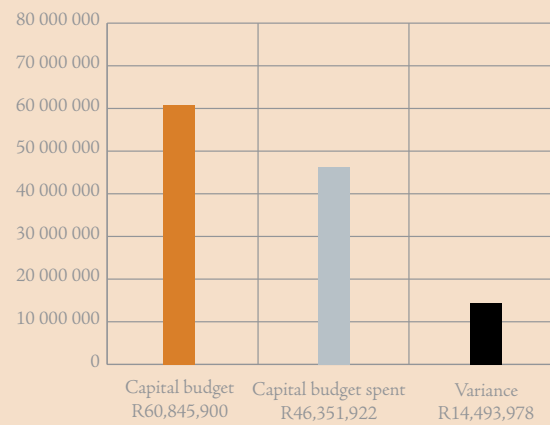


Figure 8 Capital expenditure by the Municipality



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Table 9: Compliance with MFMA

KEY PERFORMANCE AREAS	BASELINE 2007/08	TARGET 2008/09	ACTUAL 2008/09
Compiling financial statements complying with MFMA and GRAP	31st August 2007	31st August 2008	31st August 2008
Compiling a medium term budget for 2009/10	18th March 2008	31st March 2009	24th March 2009
Determination of tariffs for approval by Council	1st approval 27th May 2008 2nd approval 30th June 2008	31st May 2009	1st approval 22nd May 2009 2nd approval 30th June 2009
Submission of financial reports in terms of MFMA	Within 10 working days of month end	Within 10 working days of month end	Within 10 working days of month end
Implement measures to ensure an unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report through budget control, correct journal entries, capturing all new assets and bar coding of all movable assets and reconcile financial information in the annual financial statements.
Verification of the Asset Register with the General Ledger	Asset Register = General Ledger	Asset Register = General Ledger	Asset Register = General Ledger
Perform a physical asset count whereby all movable assets are scanned and compared with the asset register	1st March 2008 – 16th May 2008	1st January 2009 – 30th April 2009	21st January 2009 – 3rd April 2009



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

KPA 5: Good Governance and Public Participation

Ward committees

The council has ten (10) fully function and effective wards and they are appointed for a period of two (2) years. Each ward committee has approximately ten members.

Table 10: Ward committees

WARD COMMITTEE	CHAIRPERSON
Ward 1, Robertson	Cllr J D Burger
Ward 2, Robertson (Nkqubela)	Cllr S W Nyamana
Ward 3, Robertson	Cllr M Carelse-Snyman
Ward 4, Bonnievale (Happy Valley)	Cllr E Vollenhoven
Ward 5, McGregor	Cllr G Fielies
Ward 6, Montagu (Ashbury)	Cllr M W H du Preez (Speaker)
Ward 7, Montagu	Cllr J Thomson
Ward 8, Bonnievale	Cllr S W van Eeden
Ward 9, Ashton	Cllr J Adams
Ward 10, Ashton (Zolani)	Cllr N E Mpokotye

Ward Based Planning:

Breede River Winelands municipality has an effective ward based planning, that ensure participation and involvement of communities and the municipal budget process. These are ward based budget and projects:

Table 11: Ward committees

WARD	PROJECT	BUDGET
1	Erection of a new play park in Alberta Street, Môreson	R 59 000.00
2	Office for Ward Councillor/Ward Committee	R 59 000.00
3	Upgrading of an existing play park in Dorpsig	R 59 000.00
4	Upgrading and fencing of an existing play park in Leeubekkie Street, Happy Valley	R 59 222.00
5	Erection of braai stands and toilet facilities at the town entrance	R 60 900.00
6	Erection of a new play park in Ashbury, Cedar Avenue	R 70 000.00
7	Upgrading and fencing of an existing play park in Du Preez Street	R 65 000.00
8	Erection of neat benches and refuse bins in Bonnievale Main Road	R 63 850.00
9	Grant in Aid to Silver Threads Association in Ashton for building a (service centre) for elderly people over weekends	R 59 000.00
10	Erection of an arts and crafts centre along the R60 Road	R 59 000.00



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Deployment of Community Development Workers:

The Breede River/Winelands Municipality has embraced the use of effective CDW's to strengthen participative democracy in the municipality.

Table 12: Deployment of Community Development Workers:

NAME OF CDW	WARD	AREA
Lucreatia Jansen	Wards 9, 10	Zolani + Ashton
Charmain Swanepoel (2 wards)	Wards 6, 7	Ashbury + Montagu
Lindiwe Kahla	Ward 8	Bonnievale
Pieter Kortje	Ward 4	Happy Valley, Bonnievale
Octavia Liemens (3 wards)	Wards 1,2,3	Nkqubela + Robertson
Johannes Jansen	Ward 5	McGregor

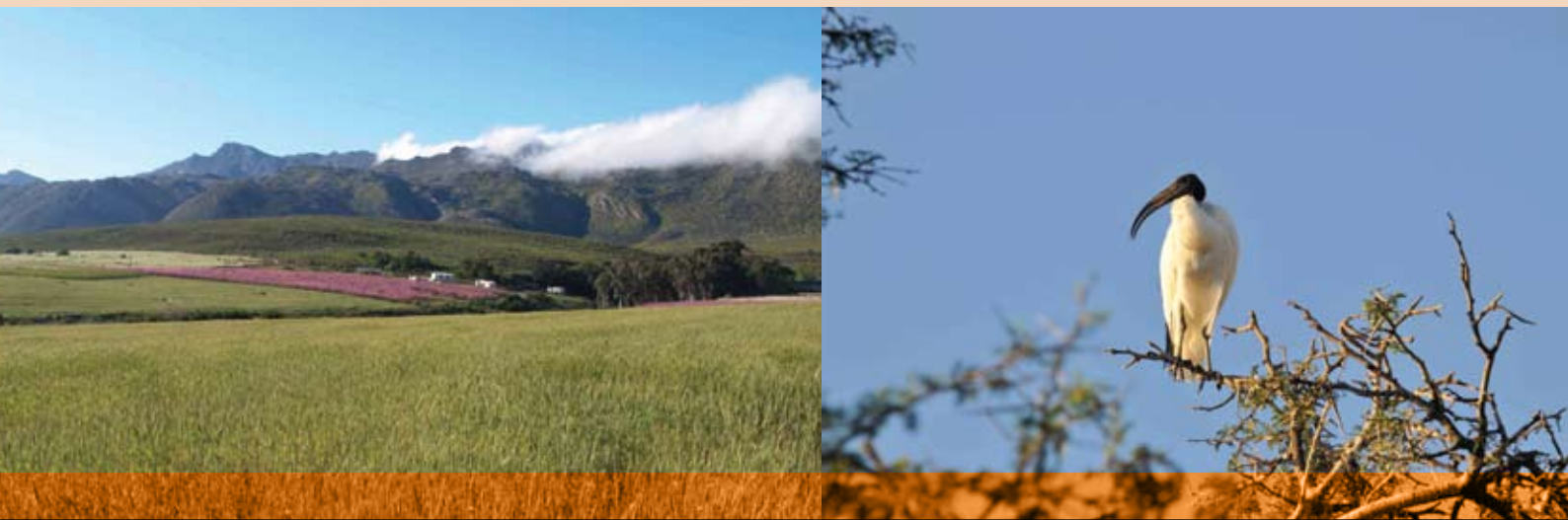
Intergovernmental relations

The municipality participated in the following International, National, District Intergovernmental Relations forums;

- District coordination meetings.
- Provincial advisory form (PAF) and PAFTECH
- ID campaign with Independent Electoral Commission
- Integrated Development Planning forum with Cape Winelands District Municipality in November 2008 and February 2009
- District Disaster management forum
- Twinning agreement with Rheden Municipality in the Netherlands. This exchange focused on Activity Based Costing within Waste Management and technical exchange on GAP Housing.
- University of Utrecht visited Breede River Winelands Municipality to provide support in the Waste Management.

Anti-corruption

An anti-fraud policy has been approved by Council while the anti-corruption strategy will be addressed during 2009/10



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

IDP Imbizo

In order to give all roleplayers, especially the 10 Ward Committees and the residents of all the wards, all sectors in the municipal area the opportunity to make contributions with regard to developmental needs, a series of meetings were planned on the following scheduled dates.

Table 13: IDP Imbizo

WARD	AREA	DATE		TIME	VENUE
1 & 3	ROBERTSON	Monday	6th October 2008	19h00	Robertson Community Hall
2	NkQUBELA	Tuesday	7th October 2008	18h00	Nkqubela Community Hall
4	BONNIEVALE	Wednesday	8th October 2008	19h00	Happy Valley Community Hall
5	McGREGOR/ ROOIBERG	Thursday	9th October 2008	19h00	VGK Church Hall
6 & 7	MONTAGU	Monday	13th October 2008	19h00	Montagu Community Hall
8	BONNIEVALE	Tuesday	14th October 2008	19h00	Chris van Zyl Hall
9	ASHTON	Wednesday	15th October 2008	19h00	Barnard Hall
10	ZOLANI	Thursday	16th October 2008	18h00	Zolani Community Hall



CHAPTER TWO

SERVICE DELIVERY HIGHLIGHTS

Budget Imbizo: 2009/2010

During March/April 2009 information meetings in all 10 wards were held. CDW's assisted in the distribution of flyers and loud hailing with the Traffic Department in all 10 wards. All interested organisations and individuals of all sectors were invited to attend the abovementioned scheduled meetings per ward.

Table 14: Budget Imbizo: 2009/2010

DATE OF MEETING	WARD	VENUE	TIEM	DIRECTOR RESPONSIBLE
25 March 2009	9	Barnardsaal, Ashton	19h00	Director Corporate Services
26 March 2009	6 & 7	Wilhelm Thyslaansaal, Montagu	19h00	Director Community Services
30 March 2009	5	Ou Gym, McGregor	19h00	Director Corporate Services and the Chief Financial Officer (CFO)
1 April 2009	8	Chris van Zylsaal, Bonnievale	19h00	Director Infrastructure Development
2 April 2009	4	Happy Valley Gemeenskapsaal, Bonnievale	19h00	Director Infrastructure Development
6 April 2009	1 & 3	Gemeenskapsdaal, Droë Heuwel, Robertson	19h00	Chief Financial Officer (CFO)
7 April 2009	2	Nkqubela Gemeenskapsaal, Robertson	19h00	Municipal Manager
8 April 2009	10	Zolani Gemeenskapsaal, Ashton	19h00	Municipal Manager



CHAPTER TWO

BREDE RIVER CORPORATE SCORECARD 2008/09 (ACTUAL PERFORMANCE AS AT 30 JUNE 2009)

Table 15: Corporate Scorecard

KEY PERFORMANCE AREAS	No	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	
1. Provide Sound Financial Management, Viability and Sustainability	1,1	% Percentage Capital Budget spend	95%	
	1,2	% Percentage Operating Budget spend	95%	
	1,3	% Revenue collection of the amount billed	97%	
	1,4	% Percentage completion of the Annual Asset Verification Process	31-May-09	
	1,5	Compliance with all financial legislation and policies	Number of unresolved Comafs	
	1,6	Compilation of Financial Statement	GRAP Financial Statements	
	1,7	Compile and table a credible and responsive Annual Budget	May-09	
	1,8	Turn around-time of procurement processes from due-date from tenders as per advertisement	6 weeks	
	1,9	Rand Value spent on SMME's and HDI	to be determined	
	1,10	Number of SMME and HDI utilised	to be determined	
	1,11	Number of Local Suppliers utilised	to be determined	
	1,12	% Percentage of inventory stores centralised by June 2009	100%	
2. Create an enabling environment for economic growth and competitiveness.	2,1	Completion of the land audit	100%	
	2,2	Facilitate and stimulate Economic Development	5%	
	2,3	(R) Rand value of direct investment	R100 000 000	
	2,4	Number of direct and indirect job opportunities created (incl EPWP)	500	
	2,5	% Percentage implementation of the LED strategy	100%	
3. Provide Basic Services to Communities	3,1	Number of households with access to: water, sanitation, solid waste, electricity	100%	
	3,2	% Percentage completion of the comprehensive Energy Plan with objectives, programmes, projects and targets	100%	
	3,3	% Percentage implementation of the Energy Savings Plan	100%	
	3,4	% Percentage Reduction in Energy Consumption	<10%	
4. Provision and maintenance of public infrastructure and bulk services	4,1	# Number of Km of new road tarred/developed	1.6km	
	4,2	% Percentage of the road repairs and maintenance budget spent	100%	
	4,3	% Percentage of Robertson 66/11kV Main Substation upgraded (Phase1)	Project phase completed	
	4,4	Completion of the sanitation networks upgraded	100% DWAF standards	
	4,5	Completion of McGregor and Montagu (Ashbury) reservoirs	100%	
5. Provide housing opportunities and Land Use Management	5,1	% Percentage completion of the Housing Strategy/Policy review	100%	
	5,2	# Number of housing opportunities (Low cost and infill Project)	350	

CHAPTER TWO

BREDE RIVER CORPORATE SCORECARD 2008/09 (ACTUAL PERFORMANCE AS AT 30 JUNE 2009)

	RESP OFFICIAL	ACTUAL PERFORMANCE AS AT 30 JUNE 2009	RATING ♦ ♦ ♦	REASON FOR VARIANCE	CORRECTIVE ACTION
	CFH	76,26%	♦	Only 51% of the housing budget has been spent	
	CFH	93,40%	♦		
	CFH	97,65%	♦		
	CFH	The annual asset process has been completed and the report has been provided In July 2009 to Council	♦		
	CFH	There is currently no unresolved audit queries (Comafs)	♦		
	CFH	Financial statements adjusted during audit-process to comply with GRAP standards	♦		
	CFH	Annual budget as approved by Council on 22 May 2009 is regarded as credible and responsive by Provincial Treasury	♦		
	CFH	2 to 8 weeks (one exception of 27 weeks)	♦	Long period until report is provided to evaluation committee	
	CFH	R 6 571 188	♦		
	CFH	260	♦		
	CFH	349	♦		
	CFH	No suitable candidates applied for the post. Internal candidate will be appointed and trained as Sr Storeman after the organizational structure has been approved.	♦		
	AE	Completed	♦		
		Led projects 1 Establishment of 2 community bakeries 2 Aquiring 12million from the NDPG 3 Bussines training programmes for smmes 4 tourism development training for local Entrepreneurs R242813492	♦		
	DVS P Salman	1210 jobs were created in total: 1. Civil Eng east 821 2. Civil Eng west 211 3. Nkqubela Bakery renovations 13 4. Township cleaning project 165	♦		
	P Salman	1 liased with various departments at Distrct and provincial level to collaborate in rolling out 1 skills development 2 smme development 3 interventions to mitigate the seasonality of employment in our region 4 interacted with a number of bussineses locally to in an attempt to create a dedicated mechanism to engage bussines to prevent the flight of bussineses from our area	♦	A presentation had to prepared in which all departments will be se sensitised as to their respective roles in implementing the led strategy	
		95%	♦		
	JR	30%	♦		Will be finalized when National Power Conservation Programme is implemented
	JR	100%	♦	Street lighting are being changed to energy efficient lights. Load control are done on hot water cylinders	Funds needed to extend energy efficient projects to consumers
	JR	6,26%	♦	Extreme hot weather conditions caused an increase in irrigation and cooling	Make consumers more aware of energy conservation by means of communication campaign
	MJ	2.078km	♦		
	MJ	100%	♦		
	JR	Phase 1: 100% completed	♦	Manufacturer of switchgear and trans-former indicated a delay in delivery.	All materials was ordered and 66 kV switch-gear was delivered. The 11 kV switchgear will be delivered in August 09 and the 66 kV Transformer in November 09.
	MJ	100%	♦		
	MJ	100%	♦		
	JJ	100% completed only need to workshop with middle and top management and councillors	♦	Discussed with Mr Van Rooyen and Mr Nel	
	JJ	Nkqubela: foundations(95) wallplates(88) roofs(76) complete(66) Igloo :foundations(28) wallplates(18) roofs(18) complete(18)	♦	Igloo houses 11 foundations, 8 houses to roof height, 6 houses with roofs, 4 houses with roofs fitted, 2 brick work under construction In Nkqubela 28 foundations, 17 houses to roof height, 1 house with roof and 7 brick work under construction.	Contractor been given an ultimatum, failing which might lead to the termination of the contract. Thereafter Mr Jooste and Mr Mokweni will work on Plan B

♦ ♦ ♦
Red= Not achieved, Orange =Pending, Green=Achieved

CHAPTER TWO

BREEDER RIVER CORPORATE SCORECARD 2008/09 (ACTUAL PERFORMANCE AS AT 30 JUNE 2009)

KEY PERFORMANCE AREAS	No	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	
	5,3	% Completion of Rezoning of Land and identify partners for GAP/Developer Housing initiative	100%	
	5,4	# Number of existing housing stock transferred to legal beneficiaries	500	
	5,5	Identify land for housing opportunities and complete classification of land into, residential, business, and land reform	100%	
	5,6	% Percentage of building plan applications finalised within statutory timeframes (30 days)	95%	
	5,7	% Percentage of rezoning application for business licences finalised within 2 months (where no objection or appeal has been lodged)	95%	
6. Provide Safety and Law enforcement	6,1	% Percentage completion of the Turning Circle at Ashton testing station	100%	
	6,2	# Number of road safety programmes in schools	4	
7. Provide Disaster Management services	7,1	Revise Disaster Management Plan	30-Jun-09	
	7,2	% Percentage completion of Fire Protection Plan	100%	
	7,3	Response time to all fires incidents	<14minutes	
8. Provide Community Recreational and Sports facilities	8,1	% Percentage completion of the New McGregor community Hall	100%	
	8,2	% Percentage of Halls maintained to defined and acceptable standards	100%	
	8,3	% Percentage increase in the utilisation rate of facilities, Community Halls and Sports Grounds	5%	
	8,4	Number of sporting activities for youth	10%	
9. Provide Environmental Services	9,1	% Percentage completion of Recycling Station	100%	
	9,2	Household receiving once a week waste removal	100%	
	9,3	Projects implemented to maintain cleanliness of the municipality	80%	
10. Ensure Organisational Transformation, capacity and good corporate governance	10,1	Development and implementation of the Individual Performance Management system	30-Jun-09	
	10,2	Implementation of the fraud prevention plan	100%	
	10,3	Deliver effective corporate communications	Annual Report, 4 Newsletters, Events Coordination (2), Corporate Branding	
	10,4	Compliance to Employment Equity Plan in terms of new appointments	Compliance to EE	
	10,5	Compliance with WSP and % spent on training and development budget	Compliance to WSP	
	10,6	Compile database of accredited training service providers.	2nd Quarter	
	10,7	Number of Human Resource Policies reviewed/ revised	8	
	10,8	Finalisation of functional delegation for management below Municipal Manager	30-Jun-09	
	10,9	Conduct labour relations training (prosecutor training) for line managers	30-Jun-09	
	10,10	Number of budgeted vacancies filled within two months turn-around time.	all	
	10,11	Conduct employee climate/culture survey	30-Jun-09	
	10,12	% Percentage community satisfaction with municipality services	93%	
	10,13	% Percentage improvement in positive employee climate (moral) as measured by Employee Satisfaction Survey	41%	

CHAPTER TWO

BREEDER RIVER CORPORATE SCORECARD 2008/09 (ACTUAL PERFORMANCE AS AT 30 JUNE 2009)

	RESP OFFICIAL	ACTUAL PERFORMANCE AS AT 30 JUNE 2009	RATING ♦ ♦ ♦	REASON FOR VARIANCE	CORRECTIVE ACTION
	J V Brand	Tender advertised for erf 2 - Closing date 11 September 2009	♦	Erf 2 Robertson 136 Nkqubela must first complete EIA regulations	
	Wilson	315	♦		
	J V Brand	Additional land in Ashton has been identified - Must be advertised. ROD to be issued in McGregor ± November 2009	♦		
	J V Brand	Finalized Building Plans in total 139	♦	This do not include private developments and only apply to building plans <500 m².	
	J V Brand	Only 1 plan finalized 1 day after 30 day timeframe	♦	Finalised (not approval) on our side within two months but also keeping in mind that other organisations may take up to 3 months to give any feedback before approval can be granted.	
	J V Brand	95%	♦		
	JM	Funds re-allocated to upgrading of Robertson Traffic Centre - Project and Funds 85% completed.	♦		
	JM	4 Projects running for schools in the total Breede River Winelands Municipal area (reflective bands, patrol, traffic education and licensing (Province).	♦		
	JJD	100%	♦	100%. Plan submitted to IDP.	
	JJD	100%	♦	100%.	
	JJD	100% (See monthly report) Average 12.64 for the period. Shortest response time: 2 minutes (Main Road, Ashton), longest: 47 minutes (Mountain Fire Lavender Creek).	♦		
	S Kotzé	0%	♦	Project could not continue due to appeals against identified site	
	S Kotzé	100%	♦		
	S Kotzé	5% (community halls)	♦		
	DB	10%	♦	10%: Sporting activities reflected on monthly reports.	
	DS	92%	♦	Awaiting funding from CWDm: already approved.	
	DS	100%	♦		
	DS	82%	♦	Contractors completed contracts on the 26th June 2009.	
	AE	Tenders were invited. After consideration it was decided not to appoint a consultant but to proceed inhouse.	♦		
	CFH	Fraud prevention plan has been approved by Council. An anti-corruption strategy, which include the roll out of the fraud prevention plan, will be provided to Council	♦		
	CM	3 Newsletters have gone out.	♦	The 4th one is problematic since tax clearance could not be received from the relevant companies.	
	AE	61.70%	♦		58% of the appointment of general workers were not done in terms of the EE Plan
	AE	100%	♦		
	AE	Actual must be the date of completion not '80%	♦		Awaiting the database from LGSETA
	AE	8	♦		
	AE	Completed	♦		
	AE	12	♦		
	AE	All (except 6)	♦		e.g SNR Planning Technician, Ass Manager Training, Legal Advisor etc. were advertised more than once, no appointments made and headhunting is being done
	AE	the survey not complete by June 2009	♦		
	AE	64% (Internal Survey)	♦		
	AE	Result Pending	♦		



Red= Not achieved, Orange =Pending, Green=Achieved

Chapter Three

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CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

PERSONNEL SERVICES

The Personnel Services form an integral part of the Corporate Services and Breede River Winlands Municipality. It is therefore important that this section be managed in a professional and efficient manner. The department is responsible for the following key areas:

Recruitment and Selecting

During the 2008/09 financial year, the municipality made one hundred and forty (141) appointments compared to sixty eight (68) new appointments in the 2007/2008 financial year. Representation regarding the appointments is as follows:

Table 16: Recruitment and Selecting

CATEGORY	TARGET 2007/08	ACTUAL 2007/08	TARGET 2008/09	ACTUAL 2008/09
Coloureds	50%	52%	50%	56.7%
Africans	30%	36%	30%	35.5%
Whites	20%	12%	20%	7.8%

Table 17: New Appointment per Employment Equity categories:

DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Infrastructure Development	14	25		5	44	6	38
Community Services	21	28		2	51	25	26
Finance Directorate	4	13		1	18	7	11
Corporate Services	3	4		1	8	5	3
Municipal Manager's Office	8	10		2	20	12	8
Total:	50	80	0	11	141	55	86

One of the main stumbling blocks is a shortage of applicants to fill the following posts of electricians and technical engineers. A head-hunting recruitment process is followed if suitable candidates can not be found and placed in the municipality. Where possible, members of the community are appointed.



BREEDERIVERWINLANDSMUNICIPALITY



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Unemployment is a major concern and by appointing people from the local community, the municipality attempts to help reduce the unemployment rate. In this financial year 93.7% of the appointments came from within the Breede River Winelands area.

Vacancy Rate

It is difficult to determine the vacancy rates for each level in the organisation due to the absence of systems to track the information. However, below is the information relating to job vacancies per category.

Table 18: Vacancies per Job Category

DIRECTORATE	TOTAL	LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	CLERKS	TECHNICIANS AND ASSOCIATE PROFESSIONALS	CRAFT AND RELATED TRADES WORKERS	ELEMENTARY OCCUPATIONS
Infrastructure Development	25	2	0	5	9	9
Corporate Services	3	1	1	1	0	0
Finance Directorate	6	2	2	1	1	0
Community Services	22	2	1	5	2	12
Municipal Manager's Office	9	2	4	3	0	0
Total:	65	9	8	15	12	21

Employment Equity

Table 19: Total Employment Equity statistics per directorate as of June 2009

DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Infrastructure Development	62	159	0	38	259	20	239
Community Services	80	169	0	22	271	86	185
Finance Directorate	11	30	0	17	58	29	29
Corporate Services	7	13	0	8	28	19	9
Municipal Manager's Office	11	15	0	8	34	18	16
Total:	171	386	0	93	650	172	478

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Employment Equity

Table 20: Total Employment Equity statistics per directorate as of June 2008

DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Infrastructure Development	57	164	0	34	255	16	239
Community Services	65	161	0	22	253	66	187
Finance Directorate	9	16	0	20	45	24	21
Corporate Services	4	13	0	7	24	18	6
Municipal Manager's Office	9	17	0	7	33	19	14
Total:	144	371	0	90	610	143	467

Skills Development

The Skills Development Plan was compiled in May 2008 and approved on 26th June 2008 as prescribed by legislation. During 2008/09, the municipality trained 229, employees, compared to 225 employees in the 2007/2008 financial year.

R655369.67 was paid on the Skills Levy, the 60% was reclaimed, and translating to R334968.00 was claimed back.

Table 21: Training per Job Category

DIRECTORATE	TOTAL	LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	CLERKS	TECHNICIANS AND ASSOCIATE PROFESSIONALS	CRAFT AND RELATED TRADES WORKERS	ELEMENTARY OCCUPATIONS	PROFESSIONALS
Infrastructure Development	164		12	5	10	137	
Corporate Services	5		4	1			
Finance Directorate	41	5	32	4			
Community Development	8	4	4				
Municipal Manager's Office	11	2	9				
Total:	229	11	61	10	10	137	0

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Skills Development Budget

Table 22: The below information indicates the quantum of municipal budget allocated to skills development and percentage spent.

FINANCIAL YEAR	BUDGET	EXPENDITURE	PERCENTAGE SPENT
2008/2009	580000.00	507926.00	88
2007/2008	580000.00	232147.00	45
2006/2007	490000.00	327906.00	67

Labour Relations

The primary role of the department is to oversee and manage labour relations and health and safety within the Breede River Winelands.

Sixty four (64) cases of misconduct have been dealt with by means of disciplinary investigations and disciplinary hearings. Twelve (12) employees have been dismissed, whilst the others were imposed sanctions such as suspension without pay, transfer to another position and final written warnings or written warnings. Eleven (11) employees have been suspended, pending the outcome of the disciplinary proceedings.

Table 23: Labour Relations

LABOUR RELATIONS ISSUE	NUMBER OF CASES
Misconduct	64
Dismissals	12
Suspensions	11
Total Cases	87

Induction

One hundred and thirteen (113) new appointed employees took part in a one-day induction course which covered the following areas;

1. All Human Resources Processes and Procedures
2. All Labour Relations Processes and Procedures
3. Organisation's mission and values
4. Organisational structure
5. Legislative environment
6. Clean Administration rules
7. Training and Development
8. Safety in the workplace
9. Work ethics

Human Resource Policies

These are Human Resource policies implemented by the Breede River Winelands Municipality:

- Employment Equity
- Recruiting & Selecting

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

- Private Work
- Temporary workers
- Long Service Recognition
- Travel & Subsistence Allowance
- Smoking
- HIV/AIDS
- Payment of Pro rata bonuses
- Travelling of personnel between towns – re-location allowance
- Exit interviews
- Induction
- Drug & Alcohol abuse
- Payment policy
- Employee Assistance Programme

Personnel Expenditure

Table 24: Trends of Personnel Expenditure to Operating Expenditure (last four years)

FINANCIAL YEAR	SALARIES	EXPENDITURE	PERCENTAGE
2008/2009	R78,176,721	252,548,205	30.96%
2007/2008	R66,487,702	202,251,457	32.87%
2006/2007	R58,212,401	179,078,541	32.51%
2005/2006	R50,587,873	140,961,382	35.89%

Promotions

Table 25: Information on the number of employees promoted during the 2008/09 financial year should be provided.

DIRECTORATE	NUMBER OF PROMOTIONS
Infrastructure Development	16
Community Services	9
Finance Directorate	6
Corporate Services	0
Municipal Manager's Office	2
Total	33

Candidates at the municipality do not get promoted automatically. All internal employees must apply for posts when they are advertised.



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Section 57 Performance Bonuses

The evaluation of performance for Section 57 managers forms the basis for rewarding outstanding performance. Performance Bonuses were paid in line with the calculator suggested by the Local Government Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers of 2006.

Table 26: Section 57 Performance Bonuses

NAME	DESIGNATION	BONUS AMOUNT
Mr J. de K Jooste	Infrastructure Development	R59 674.66
Mr M . J. Mhlom	Community Services	R59 674.66
Mr C. F. Hoffmann	Chief Financial Officer	R59 674.66
Mr A. W. J. Everson	Corporate Services	R77 577.06
Mr S. A. Mokweni	Municipal Manager	R103 854.39
Total Bonuses		R360 455.43

Table 27: Arrears owed to Council by Staff/Council/Directors/Managers: (2007/2008)

CATEGORY	AMOUNT 2007/08	AMOUNT 2008/09
Councillor Consumer Account Arrears	R0.00	R860.67
Councillor Arrear Arrangements	R0.00	R0.00
Councillor Accounts in Disputes	R0.00	R0.00
Staff Arrears (Directors & Managers)	R0.00	R0.00
Other Staff	R88 512.70 (R59 626.91 Land sales incl)	R94 441.53 (R52 201.36 Landsales incl)

Note: Details are contained in the Financial Statements in Chapter 4,

Pension Funds

The following pension and/or retirement funds are used in the municipality:

- ♦ SALA Pension Fund
- ♦ Cape Retirement Fund
- ♦ Cape Joint Pension Fund
- ♦ SAMWU Provident Fund

Medical Aid Schemes

Employees are able to choose from the following Medical Aid Funds:

- ♦ BONITAS
- ♦ HOSMED
- ♦ Key Health
- ♦ LA Health
- ♦ SAMWU Med



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Learnerships and Bursaries

Twenty two (22) learnerships were recorded during the 2008/2009 financial year. The municipality granted 20 internal Bursaries in 2008/2009

Table 28: Bursaries per Directorate

DIRECTORATE	NUMBER OF BENEFICIARIES
Infrastructure Development	4
Community Services	6
Finance Directorate	7
Corporate Services	1
Municipal Manager's Office	2
Total	20

Occupational Health

Table 29: Occupational injuries recorded during 2008/09 are as follows;

DIRECTORATE	PERSONAL INJURY	DISEASE	DEATH	COST
Infrastructure Development	28	0	0	4 340
Community Services	25	0	0	3 875
Finance Directorate	0	0	0	0
Corporate Services	0	0	0	0
Municipal Manager's Office	0	0	0	0
Total:	53	0	0	8 215



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Employee Productivity: Sick leave

The number of days' sick leave taken by employees has service delivery and cost implications for a municipality. Breede River Winelands Municipality monitors sick leave to identify certain patterns or trends and thus takes proactive corrective action.

Table 30: Sick leave per Directorate and Category

DIRECTORATE	TOTAL	LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	CLERKS	TECHNICIANS AND ASSOCIATE PROFESSIONALS	CRAFT AND RELATED TRADES WORKERS	ELEMENTARY OCCUPATIONS
Infrastructure Development	13	6		7		
Corporate Services	2	2		0		
Finance Directorate	13	4		9		
Community Development	20	4		16		
Municipal Manager's Office	6	3		3		
Total:	48	16		32		

Number of Employees

Table 31: The following table reflects the number of staff per category in 2007/08 and 2008/09.

CATEGORY	NO OF EMPLOYEES (2007/08)	NO OF EMPLOYEES (2008/09)
Legislators, senior officials, and managers	32	34
Clerks	70	85
Technicians and associate professionals	110	107
Craft and related trades workers	92	115
Elementary occupations	306	309
Total:	610	650

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Table 32: Staff Category per Directorate

DIRECTORATE	TOTAL	LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	CLERKS	TECHNICIANS AND ASSOCIATE PROFESSIONALS	CRAFT AND RELATED TRADES WORKERS	ELEMENTARY OCCUPATIONS
Infrastructure Development	259	12	14	33	58	142
Corporate Services	28	5	12	4	1	6
Finance Directorate	58	3	36	14	4	1
Community Development	271	8	13	48	52	150
Municipal Manager's Office	34	6	10	8	0	10
Total:	650	34	85	107	115	309



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

This section of the annual report explains the framework of the institutional structures and resources that the Council established during the 2008/2009 financial year so as to implement its strategies.

Council Structure

The relationship between the Council's different political structures is as follows:

Table 33: Council Members

COUNCILORS	POLITIEKE PARTY / POLITICAL PARTY
Cllr J. Adams	DA - Democratic Alliance
Cllr J. D. Burger	DA - Democratic Alliance
Cllr M. Carelse-Snyman	ANC - African National Congress
Cllr R. de Jong	DA - Democratic Alliance
Cllr L. H. de Koker	DA - Democratic Alliance
Cllr M. W. H. du Preez	ANC - African National Congress
Cllr G. J. Fielies	ANC - African National Congress
Cllr C. J. Grootboom	PDM - People's Democratic Movement
Cllr P. W. Horne	ID - Independant Democrats
Rdl M. P. Janse	ANC - African National Congress
Cllr A. N. Mhlambeni	ANC - African National Congress
Cllr E. N. Mpokotye	ANC - African National Congress
Cllr S. J. Ngonyama	ANC - African National Congress
Cllr W. S. Nyamana	ANC - African National Congress
Cllr O. C. Simpson	WCC - Western Cape Community Party
Cllr J. Thomson	DA - Democratic Alliance
Cllr T. M. van der Merwe	ID - Independant Democrats
Cllr S. W. van Eeden	DA - Democratic Alliance
Cllr F. F. van Wyk	ID - Independant Democrats
Cllr E. J. Vollenhoven	ANC - African National Congress

Mayoral Committee Members

*"We will deliver at a pace which echoes
at a pace which echoes the commitment that we made to
our people."*



Councillor John Ngonyama
Executive Major

"We strive for a unified prosperous society."



Councillor
Christopher Grootboom



Councillor
Errol Vollenhoven



Councillor
Owenite Simpson

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Section 79 Portfolio Committees and Chairpersons

These were the portfolio committees and chairpersons during the past financial year.

Table 34: Portfolio Committees as at 30th June 2009

COMMITTEE	CHAIR
Corporate Services	Cllr O. Simpson
Finance	Cllr E. Vollenhoven
Infrastructure Development	Cllr S. J. Ngonyama
Community Services	Cllr C. Grootboom

Table 35: Portfolio Committee Meetings and Attendance 2007/08 and 2008/09.

MEETINGS	2007/08	% ATTENDANCE	2008/09	% ATTENDANCE
Portfolio Committees Meetings	41	82%	39	83%
Mayoral Committee Meetings	12	100%	12	92%
Special Mayoral Committee Meetings	5	100%	0	---
Council Meetings	12	96%	12	91%
Special Council Meetings	5	91%	4	86%

Office of the Speaker

Mr. M Du Preez is the speaker of the council and the role of the speaker is to;



Councillor
M Du Preez

- Ensure that there was an attendance register at the constituents' meetings and that it was signed so as to monitor the election process.
- Explain the roles and responsibilities of ward committees and their members to attendees at the meeting.
- Explain the election process to the participants.
- Call for nominations for committee members and for seconders to sign appropriate forms.
- Count the votes and announce the results.
- Ensure that the elected ward committee members were aware of their roles and responsibilities and signed the appropriate forms.



CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Ward Committees

The council has ten (10) wards and they are appointed for a period of two (2) years. Each ward committee has approximately ten members.

Table 36: Ward Committees

WARD COMMITTEE	CHAIRPERSON
Ward 1, Robertson	Cllr J. D. Burger
Ward 2, Robertson (Nkqubela)	Cllr S. W. Nyamana
Ward 3, Robertson	Cllr M. Carelse-Snyman
Ward 4, Bonnievale (Happy Valley)	Cllr E. Vollenhoven
Ward 5, McGregor	Cllr G. Fielies
Ward 6, Montagu (Ashbury)	Cllr M. W. H. du Preez (Speaker)
Ward 7, Montagu	Cllr J. Thomson
Ward 8, Bonnievale	Cllr S. W. van Eeden
Ward 9, Ashton	Cllr J. Adams
Ward 10, Ashton (Zolani)	Cllr N. E. Mpokotye

Table 37: Representative Forums

NAME OF THE FORUM	COUNCILLOR
Economic Development	Cllr E. J. Vollenhoven
Governance and Intergovernmental Relations	Cllr S. J. Ngonyama
Human Resources Management	Cllr O. C. Simpson
Municipal Finance	Cllr E. J. Vollenhoven
Municipal Services	Cllr G. J. Fielies
Social Development	Cllr C. J. Grootboom

Executive Management

The Executive Management team is the key force behind the achievement of the municipality's strategic goals. During 2008/2009 the administration implemented the macro design illustrated below.

Mr S. A. Mokweni – Municipal Manager

Mr M. J. Mhlom – Director Community Services

Mr J. de K Jooste – Director Infrastructure Development

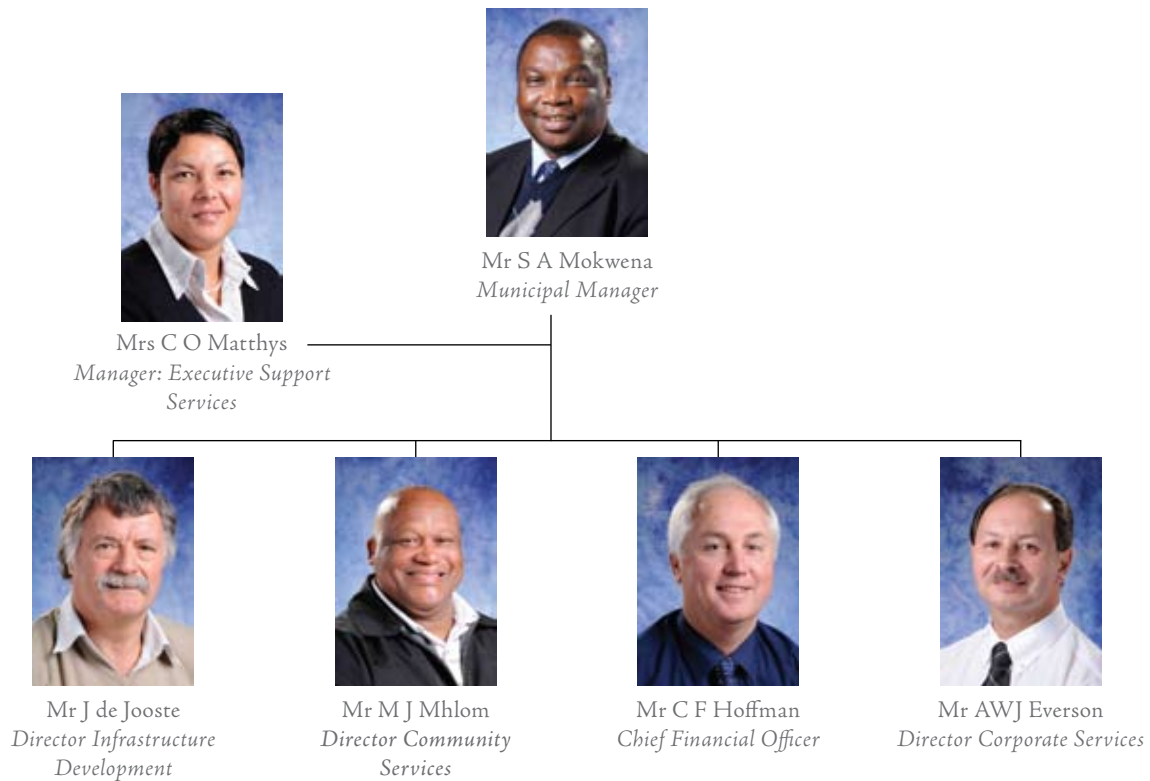
Mr C. F. Hoffmann – Chief Financial Officer

Mr A. W. J. Everson – Director Corporate Services

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Executive Management Structure



Co-operative Governance and Intergovernmental Relations

The municipality participated in the following International, National and District Intergovernmental Relations forums:

District coordination meetings.

- ♦ Provincial advisory forum (PAF) and PAFTECH
- ♦ ID campaign with Independent Electoral Commission
- ♦ Integrated Development Planning forum with Cape Winelands District Municipality in November 2008 and February 2009
- ♦ District Disaster management forum
- ♦ Twinning agreement with Rheden Municipality in the Netherlands. This exchange focused on Activity Based
- ♦ Costing within Waste Management and technical exchange on GAP Housing.
- ♦ University of Utrecht visited Breede River Winelands Municipality to provide support in the Waste Management department.

Corporate Governance

Public Participation: Imbizo's

Two separate IDP and budget Imbizos were held during the financial year.

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Intergrated development plan review (idp/budget imbizo): 2009/2010

The Council has accepted an IDP/Budget Interaction plan for the review of the IDP/Budget for the financial period 2009/2010. In order to give all roleplayers, especially the 10 Ward Committees and the residents of all the wards and all sectors in the municipal area the opportunity to make contributions with regard to developmental needs, a series of meetings were planned on the following scheduled dates. All individual organisations, and individuals from all sectors were invited to attend the above-mentioned scheduled meetings. A notice in the form of a municipal advertisement was placed in our local newspapers.

Table 38: Intergrated development plan review (idp/budget imbizo): 2009/2010

WARD	WARD COUNCILOR	AREA	DATE	TIME	VENUE
1 & 3	Cllrs J. D. Burger and Cllr M. Carelse-Snyman	Robertson	Monday 6th October 2008	19h00	Robertson Community Hall
2	Cllr S. W. Nyamana	NkQubela	Tuesday 7th October 2008	18h00	Nkqubela Community Hall
4	Cllr E. Vollenhoven	Bonnievale	Wednesday 8th October 2008	19h00	Happy Valley Community Hall
5	Cllr G. Fielies	McGregor/ Rooiberg	Thursday 9th October 2008	19h00	VGK Church Hall
6 & 7	Cllr M. W. H. du Preez and Cllr J Thomson	Montagu	Monday 13th October 2008	19h00	Montagu Community Hall
8	Cllr S. W. van Eeden	Bonnievale	Tuesday 14th October 2008	19h00	Chris van Zyl Hall
9	Cllr J. Adams	Ashton	Wednesday 15th October 2008	19h00	Barnard Hall
10	Cllr K. Klaas	Zolani	Thursday 16th October 2008	18h00	Zolani Community Hall

Budget Imbizo: 2009/2010

During March/April 2009 information meetings in all 10 wards were held. The CDW's assisted with the distribution of flyers and loud hailing with the Traffic Department in all 10 wards. All interested organisations and individuals of all sectors were invited to attend the abovementioned scheduled meetings per ward.

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Table 39: Budget Imbizo: 2009/2010

DATE OF MEETING	WARD	VENUE	TIEM	DIRECTOR RESPONSIBLE
25th March 2009	9	Barnardsaal, Ashton	19h00	Director Corporate Services
26th March 2009	6 & 7	Wilhelm Thyslaansaal, Montagu	19h00	Director Community Services
30th March 2009	5	Ou Gym, McGregor	19h00	Director Corporate Services and the Chief Financial Officer (CFO)
1st April 2009	8	Chris van Zylsaal, Bonnievale	19h00	Director Infrastructure Development
2nd April 2009	4	Happy Valley Gemeenskapsaal, Bonnievale	19h00	Director Infrastructure Development
6th April 2009	1 & 3	Gemeenskapsdaal, Droë Heuwel, Robertson	19h00	Chief Financial Officer (CFO)
7th April 2009	2	Nkqubela Gemeenskapsaal, Robertson	19h00	Municipal Manager
8th April 2009	10	Zolani Gemeenskapsaal, Ashton	19h00	Municipal Manager

Community Development Workers

Roles of the CDW's

The Breede River Winelands Municipality has embraced the use of effective CDW's to strengthen participative democracy in the municipality.

These are some of the Key Performance Areas (KPA's) for CDW's:

- Community profile to be compiled for the Breede River/Winelands Municipality
- Assistance to Ward Committee Activities
- Assistance during Community meetings
- Assistance to Ward Committee Elections
- Assistance during Ward Based Planning
- Communicate municipal and government projects in communities
- Co-ordinate communities to develop and submit proposals for inclusion in the IDP and other government plans.
- Co-ordinate inter-governmental and inter-departmental programmes
- Maintain communication with Community Based Organisations (CBO's)
- Inform communities of problems with service delivery.
- Assistance with the implementation of community projects
- Monitoring and reporting back on community projects
- Act as resourceful and dedicated public servants (Customer Services)

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Functions performed by CDWS

- Minute taking during ward committee and community meetings.
- Logistic arrangements around Provincial and National events. (Public Participation processes).
- Assistance during roll out of Ward Based Planning.
- Dealing with public enquiries and complaints. (Training received on Customer Care Management Programme).
- Public address systems announcements in suburbs with Traffic Department regarding ward activities.
- Issuing of Hawkers' Licences.
- Creation of database for Community Based Organisations.
- Creation of skills audit.
- Filing of documents (Housing Department)
- Assist with applications for Indigent Subsidies (Finance Department)
- Administrative assistance to Ward Council Members.
- Logistic assistance to Rural Development Department.
- Projects in respect of Youth Advisory Centre (YAC).
- Logistic assistance to GCIS projects (Inter-governmental).
- Distribution of pamphlets for Tourism, Ward Committees, Finance Departments
- CDW's were involved during the IDP/Budget process.

Table 40: Details of CDW's and ward allocations.

NAME OF CDW	WARD	AREA
Lucreatia Jansen	Wards 9, 10	Zolani + Ashton
Charmain Swanepoel (2 wards)	Wards 6, 7	Ashbury + Montagu
Lindiwe Kahla	Ward 8	Bonnievale
Pieter Kortje	Ward 4	Happy Valley, Bonnievale
Octavia Liemans (3 wards)	Wards 1,2,3	Nkqubela + Robertson
Johannes Jansen	Ward 5	McGregor

Anti-corruption and anti-fraud

The Council has approved an anti-fraud policy has been approved by Council while the anti-corruption strategy will be addressed during 2009/10

Performance Management Committee

The committee was established by the Mayor in July 2008 for the purpose of evaluating the performance of section 57 employees.

Table 41: Committee members are:

COMMITTEE MEMBER	COMMITTEE POSITION
Cllr S. J. Ngonyama	Chairperson
Cllr O. Simpson	Member
Cllr E. Vollenhoven	Member
Cllr C. Grootboom	Member
Dr B. van Rensburg	Member
Mr M. Mgajo	Member
Mr S. A. Mokweni	Member

The committee held 4 meetings during 2008/09.

CHAPTER THREE

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

Internal Audit

Breede River's Internal Audit department has been established in terms of sections 165 (i) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

- ♦ The main purpose of the Internal Audit is inter alia:
- ♦ To ensure that risks are identified and managed properly.
- ♦ To ensure that correct and accurate financial, management, and operational control systems and procedures are in place to enable management to gain trustworthy information useful in decision-making processes.
- ♦ To evaluate the performance management system and performance reports.
- ♦ To control policies, regulations, and procedures in terms of prescribed guidelines and applicable laws.
- ♦ To ensure that high quality service delivery takes place by the economic and efficient utilisation of available resources.
- ♦ To implement the processes and procedures on an ongoing basis according to Council policy.

Performance 2008/09

- ♦ Risk analysis was completed with input from all departments.
- ♦ The internal audit annual work plan for 2008/2009 was prepared with input submitted by different Departments.
- ♦ The municipality's corporate performance scorecard is audited on a quarterly basis. The comments of internal audit are submitted to the Audit Committee who submitted their comments to the Council.

Audit Committee

Breede River's Audit committee was established on the 1st August 2006 and members were appointed for a period of 3 years in terms of Section 166 (1) of Act 56 of 2003 – Local Government: Municipal Finance Management Act, 2003.

The Audit Committee is responsible for the overseeing of internal controls, financial reporting and compliance with regulatory matters. The committee should mainly make recommendations to the management, including, the following:

- ♦ Review the effectiveness of the Council's system of internal control and risk management.
- ♦ Review the financial reporting.
- ♦ Review of the financial statements.
- ♦ Review the Internal Audit function.
- ♦ Review the Auditor General's report.
- ♦ Review the Council's compliance with legislation and regulation.
- ♦ Review the Compliance with the Council's Code of Conduct and ethics.
- ♦ Performance Management.

During 2008/2009 the Audit Committee had three members. Dr B van Rensburg (Chairman), Mr P Dreyer, and the third committee member position was vacant. The Committee convened 5 meetings, on 29th September 2008, 27th November 2008, 21st January 2009, 10th March 2009 and 15th June 2009. Attendance at the meetings was 9, 10, 8, 9 and 7 respectively.

By-laws

The following by laws were adopted:

- ♦ By law relating to the keeping of animals
- ♦ By law relating to the keeping of bees.
- ♦ By law relating to the control of cemeteries
- ♦ Irrigation w by law
- ♦ By law relating to the keeping of pigeons and birds
- ♦ By law relating to the keeping of poultry
- ♦ Public Amenities by law
- ♦ By law relating to sewerage and sanitation services
- ♦ By law relating to streets

Communication

239 adverts were placed in various news papers on various topics during the 2008/2009 financial year.

3 newsletters were published against the target of 4 newsletters. This owing to problems with the service provider's tax clearance.

Chapter Four

ANNUAL FINANCIAL STATEMENTS

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CHAPTER FOUR

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

Statement of the Municipal Manager on Financial Statements

As the Municipal Manager I am responsible for guiding the preparation, integrity and fair presentation of the annual financial statements of Breede River Wineland's Municipality. The annual financial statements have been independently audited by the Auditor General who was given unrestricted access to all financial records and related data, including minutes of meetings relevant to the auditing of financial statements.

The annual financial statements for the year ended 30 June 2009 have been prepared in accordance with Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003). They are based on (GRAP), General Recognised Accounting Practice accounting standards which have been consistently applied, and which are supported by reasonable and prudent judgements and estimates. I have no reason to believe that the Municipality will not be a going concern in the foreseeable future based on forecasts and available cash resources.

I have implemented stringent internal controls, which are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets. These controls are monitored throughout the Municipality by management and employees. Processes are in place to monitor internal controls, to identify material breakdowns and implement timely corrective action.

Mr SA Mokweni
Municipal Manager



BREEDERIVERWINELANDSMUNICIPALITY

Other information

Nature of Business

Breede River Winelands Municipality is a local municipality performing the functions as set out in the Constitution.(Act no 105 of 1996).

Country of Origin and Legal Form

South African local municipality as defined by the Municipal Structures Act (Act no 117 of 1998)

Councillors

Executive Mayor	S J Ngonyama
Deputy Mayor	C J Grootboom
Speaker	M W H du Preez
Member of Mayco	E J Vollenhoven
Member of Mayco	O C Simpson
Councillor	J Adams
Councillor	J D Burger
Councillor	M Carelse-Snyman
Alderman	R de Jong
Councillor	L H de Koker
Councillor	G R Fielies
Councillor	P W Horne
Councillor	M P Janse (from 12 May 2009)
Councillor	A N Mhlambeni
Councillor	N E Mpokotye (from 10 December 2008)
Councillor	W S Nyamana
Councillor	J Thomson
Councillor	T M van der Merwe
Councillor	S W van Eeden
Councillor	F F van Wyk
Councillor	S M Jansen (from 6 August 2008 till 12 May 2009)
Councillor	K I Klaas (till 27 October 2008)
Councillor	J J van Rooyen (till 6 August 2008)

Directors

Municipal Manager	S A Mokweni
Chief Financial Officer	C F Hoffmann
Director: Infrastructure Development	J de K Jooste
Director: Community Services	M J Mhlom
Director: Corporate Services	A W J Everson

Principal Bankers

ABSA
P O Box 4453
Tyger Valley
7536

Auditors

Auditor-General of South Africa
Private Bag X1
Chempet
7442

Attorneys

Muller Baard du Toit	Van Zyl & Hofmeyr
P O Box 41	P O Box 8
Robertson	Montagu
6705	6720
Van Niekerk & Linde	
P O Box 49	
Bonnievale	
6730	

Registered Office

28 Main Road
Ashton
6715

Relevant Legislation

The Constitution of the Republic of south Africa (Act 108 of 1996)	Municipal Property Rates Act (Act no 6 of 2004)
Municipal Finance Management Act (Act no 56 of 2003)	Electricity Act (Act no 41 of 1987)
Division of Revenue Act	Skills Development Levies Act (Act no 9 of 1999)
The Income Tax Act	Employment Equity Act (Act no 55 of 1998)
Value Added Tax Act	Unemployment Insurance Act (Act no 30 of 1966)
Municipal Structures Act (Act no 117 of 1998)	Basic Conditions of Employment Act (Act no 75 of 1997)
Municipal Systems Act (Act no 32 of 2000)	Supply Chain Management Regulations, 2005
Municipal Planning and Performance Management Regulations	Collective Agreements
Water Services Act (Act no 108 of 1997)	Infrastructure Grants
Housing Act (Act no 107 of 1997)	SALBC Leave Regulations

CHAPTER FOUR

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Note	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net assets		373 829 967	358 045 649
Housing Development Fund	2	-	3 051 267
Capital replacement reserve	3	32 992 064	29 451 578
Capitalisation reserve	3	31 522 164	34 565 829
Government grant reserve	3	83 574 741	74 850 080
Accumulated Surplus/(Deficit)	4	225 740 998	216 126 896
Non-current liabilities		75 602 790	58 121 034
Long-term liabilities	5	45 831 978	29 885 136
Non-current provisions	6	3 342 318	3 600 540
Employee Benefits	7	26 428 494	24 635 358
Current liabilities		51 727 263	33 685 555
Employee Benefits	7	9 217 911	8 137 310
Consumer deposits	8	4 598 639	4 336 523
Provisions	9	1 050 816	-
Trade payables	10	27 273 107	12 662 512
Unspent conditional grants and receipts	11	5 089 927	6 643 949
Taxes	12	2 747 293	268 034
Short-term loans	13	-	-
Cash and cash equivalents	24	-	-
Current portion of long-term liabilities	5	1 749 570	1 637 228
Total Net Assets and Liabilities		501 160 020	449 852 238
ASSETS			
Non-current assets		377 263 165	357 680 422
Property, plant and equipment	14	357 001 791	336 410 119
Non-current assets held for sale	15	-	-
Investment property	16	17 977 979	17 868 479
Intangible Assets	17	1 112 750	503 320
Investments	19	4 685	4 482
Long-term receivables	20	1 165 960	2 894 023
Current assets		123 896 856	92 171 816
Inventory	21	8 634 622	9 081 197
Trade receivables from exchange transactions	22	12 600 103	8 994 595
Other receivables - Non exchange transactions	23	2 510 927	2 243 268
Unpaid conditional grants and receipts	11	1 505 566	963 236
Current portion of long-term debtors	20	2 542 374	2 220 209
Cash and cash equivalents	24	96 103 264	68 669 312
Total Assets		501 160 020	449 852 238

CHAPTER FOUR

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
REVENUE			
Property rates	25	20 323 699	20 322 854
Property rates - penalties imposed and collection charges		230 923	254 894
Service charges	26	165 229 142	138 457 749
Rental of facilities and equipment		1 077 335	864 674
Interest earned - external investments		10 789 908	8 746 970
Interest earned - outstanding debtors		1 385 766	504 389
Dividends received		-	-
Fines		3 125 430	3 495 123
Licences and permits		1 120 388	1 149 223
Income for agency services		1 911 063	1 902 244
Government grants and subsidies	27	50 202 239	31 687 684
Other income	28	11 589 830	5 164 823
Property, plant and equipment adjustments	14		-
Changes in fair values		1 346 799	-
Gains on disposal of property, plant and equipment		-	-
Total Revenue		268 332 523	212 550 627
EXPENDITURE			
Employee related costs	29	78 176 721	66 487 702
Remuneration of Councillors	30	4 730 734	4 216 902
Bad debts		6 414 120	6 104 253
Collection costs		714 633	547 956
Depreciation	14, 16	20 592 351	18 015 939
Amortisation - Intangible Assets	17	194 823	94 795
Repairs and maintenance		10 616 905	8 427 801
Interest paid	31	8 881 080	6 116 969
Bulk purchases	32	71 344 891	50 982 806
Contracted services		2 757 519	1 044 855
Grants and subsidies paid	33	9 748 267	7 238 310
Operating Grant Expenditure	App "F"	969 446	791 360
General expenses	35	32 515 543	26 377 715
Changes in Fair Value (Loss)			2 455 549
Loss on disposal of property, plant and equipment		4 891 171	3 348 546
Total Expenditure		252 548 205	202 251 457
SURPLUS/(DEFICIT) FOR THE YEAR		15 784 318	10 299 169
 Share of surplus/(deficit) of associate accounted for under the equity method	36	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		15 784 318	10 299 169

Refer to Appendix E(1) for explanation of variances

CHAPTER FOUR

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Accumulated Surplus/ (Deficit) R	Total R
2008						
Balance at 30 June 2007	5 450 691	29 706 274	38 529 696	69 020 860	198 877 931	341 585 452
Implementation of IAS 19 Note 7	-				(21 241 996)	(21 241 996)
Correction of Asset Register Note 14	-				27 403 023	27 403 023
			(589 983)	2 229 830	(1 639 847)	-
Restated balance	5 450 691	29 706 274	37 939 713	71 250 690	203 399 111	347 746 479
Restated surplus/(deficit) for the year	-	-	-	-	10 299 169	10 299 169
Transfer to/from CRR	-	21 196 326	-	-	(21 196 326)	-
Property, plant and equipment purchased	-	(21 451 022)	-	-	21 451 022	-
Capital grants used to purchase PPE	-	-	-	7 844 985	(7 844 985)	-
Capital grants used to purchase Intangible Assets	-	-	-	-	-	-
Transfer to Housing Development Fund	(2 399 424)	-	-	-	2 399 424	-
Change in funding sources	-	-	-	(8 426)	8 426	-
Offsetting of depreciation	-	-	(3 373 885)	(4 229 325)	7 603 210	-
Offsetting of depreciation - Intangible Assets	-	-	-	(7 843)	7 843	-
Balance at 30 June 2008	3 051 267	29 451 578	34 565 829	74 850 080	216 126 896	358 045 649
2009						
Balance at 30 June 2008	3 051 267	29 451 578	34 565 829	74 850 080	216 126 896	358 045 649
Net surplus/(deficit) for the year	-	-	-	-	15 784 318	15 784 318
Transfer to/from CRR	-	25 000 000			(25 000 000)	-
Property, plant and equipment purchased	-	(21 459 514)			21 459 514	-
Capital grants used to purchase PPE	-			13 506 765	(13 506 765)	-
Capital grants used to purchase Intangible Assets	-			38 340	(38 340)	-
Transfer to Housing Development Fund	(3 051 267)				3 051 267	-
Asset disposals	-		(210)	(4 684)	4 893	-
Offsetting of depreciation	-		(3 043 455)	(4 807 301)	7 850 756	-
Offsetting of depreciation - Intangible Assets	-			(8 459)	8 459	-
Balance at 30 June 2009	0,00	32 992 064	31 522 164	83 574 741	225 740 998	373 829 967

CHAPTER FOUR

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		258 480 114	199 473 021
Cash paid to suppliers and employees		(203 569 587)	(168 503 281)
Cash generated from/(utilised in) operations	39	54 910 526	30 969 740
Interest received		10 789 908	8 746 970
Interest paid		(8 881 080)	(6 116 969)
Correction of error - Note 34			254 696
NET CASH FROM OPERATING ACTIVITIES		56 819 354	33 854 437
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(46 217 527)	(38 400 101)
Transfer to Investment Properties			
Proceeds on disposal of fixed assets		21 383	1 601 743
Purchase of in Intangible Assets		(804 253)	(164 078)
Purchase of Investment Properties		(112 000)	
(Increase)/decrease in biological assets			
(Increase)/decrease in long-term receivables		1 405 898	(1 140 807)
(Increase)/decrease in non-current investments		(203)	1 426
NET CASH FROM INVESTING ACTIVITIES		(45 706 703)	(38 101 816)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		16 059 184	(1 661 788)
Increase in consumer deposits		262 117	357 735
NET CASH FROM FINANCING ACTIVITIES		16 321 301	(1 304 053)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		27 433 952	(5 551 432)
Cash and cash equivalents at the beginning of the year	40	68 669 312	74 220 744
Cash and cash equivalents at the end of the year	40	96 103 264	68 669 312
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		27 433 952	(5 551 432)

CHAPTER FOUR

ACCOUNTING POLICY – 30 JUNE 2009

1. Summary of significant accounting policies for the year ended 30 June 2009

The principal accounting policies applied in the preparation of these financial statements are set out below and are consistent with those applied in the previous year unless otherwise stated.

1. STATEMENT OF COMPLIANCE

The financial statements comply with General Recognised Accounting Standards (GRAP) adopted by the Accounting Standards Board (ASB).

1.1. Basis of preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance. The Municipality adopted the following new standards in the current year, as approved by the Minister of Finance on 9 May 2008 per Government Gazette 31021:

GRAP 4	Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue
GRAP 10	Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current assets held for sale and discontinued operations
GRAP 101	Agriculture
GRAP 102	Intangible assets

Accounting Policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These Accounting Policies and the applicable disclosures have been based on International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP), including any interpretations of such Statements issued by the Accounting Practices Board.

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 41.

2.1 GRAP 16 – Investment Property

Investment property is defined as property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost and is depreciated on a straight-line basis over its useful life.

The application of the standard resulted in a reclassification of amounts previously recognised as property, plant and equipment. Similarly rental revenue from investment property is also reflected separately from equipment rental.

2.2 GRAP 17 – Property, plant and equipment

GRAP 17 clarifies that an entity should consider an item of property, plant and equipment as a combination of various components with separate useful lives or consumption patterns. These separate components are used to calculate depreciation, test for derecognition and for the treatment of expenditure to replace or renew a component of that item of property, plant and equipment. It further confirms that the cost of an item of property, plant and equipment should include not only the initial estimate of the costs relating to dismantlement, removal or restoration of the property at the time of installing the item, but also during the period of use for purposes other than producing inventory. The residual value, useful life and depreciation method of an asset must be reviewed annually. Residual value should not include expected future inflation. There is no cessation of depreciation when assets are idle.

CHAPTER FOUR

ACCOUNTING POLICY – 30 JUNE 2009

The application of the new standard had a limited impact on the results of the current year as the components approach in respect of infrastructure assets will only be applied in future years as allowed per the transitional provisions specified in Directive 4.

2.3 Standards not yet effective

The following Standards have been issued, but are not yet effective:

GRAP No	Description	Effective date	Anticipated impact on financial statements
18	Segment Reporting	Unknown	Disclosure only
21	Impairment of non-cash generating assets	Unknown	No material impact. Requirements of GRAP 21 are similar to the requirements of IAS 36 (Impairment of assets) and IPSA 21 (Impairment of non-cash generating assets), applied by the municipality during the 2008/09 financial year.
23	Revenue from non-exchange transactions	Unknown	Disclosure only
24	Presentation of Budget Information in Financial Statements	Unknown	Disclosure only
26	Impairment of cash generating assets	Unknown	No impact. Requirements of GRAP 26 are similar to the requirements of IAS 36 (Impairment of assets) applied by the municipality during the 2008/09 financial year.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.2. Presentation currency

These annual financial statements are presented in South African Rand.

1.3. Going concern assumption

These annual financial statements are prepared on the basis that the municipality will remain a going concern for the foreseeable future.

1.4. Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

1.5. Foreign currency transactions

The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

1.6. Housing Development Fund

The Housing Development Fund was established in terms of Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. Loans from National and Provincial Government used to finance housing developments undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa) read with, inter alia, Section 16(2) that the net proceeds of any rental, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Fund:

- 1.6.1. The proceeds in this fund are utilised for housing developments in accordance with the National Housing Policy and also for housing development projects approved by the MEC.
- 1.6.2. Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- 1.6.3. Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and is then transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- 1.6.4. Any surplus / (deficit) on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

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ACCOUNTING POLICY – 30 JUNE 2009

1.7. Reserves

1.7.1. Capital Replacement Reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

- 1.7.1.1. The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- 1.7.1.2. Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance. The total interest earned on all the CRR investments of the municipality is transferred to the CRR.
- 1.7.1.3. The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- 1.7.1.4. The proceeds from the disposal of property, plant and equipment must be transferred to the CRR.
- 1.7.1.5. The CRR is reduced and the accumulated surplus/ (deficit) credited with corresponding amounts when the funds are utilised.
- 1.7.1.6. The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
- 1.7.1.7. The Council determines the annual contribution to the CRR.

1.7.2. Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/ (deficit). When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.7.3. Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/ (deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.7.4. Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

1.7.5. Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. Land and buildings are revalued every four years. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/ (deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

1.8. Leases

1.8.1. Lessee Accounting

Amounts held under finance leases are initially recognised as assets of the Municipality at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Municipality's policy on borrowing costs.

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ACCOUNTING POLICY – 30 JUNE 2009

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Municipality will not incur a foreign currency lease liability other than that allowed by the MFMA.

1.8.2. *Lessor Accounting*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Municipality's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.9. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for the intended use or sale, added to the costs of these assets, until such time as the assets are substantially ready for their intended use of sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of financial performance in the period in which they are incurred.

1.10. **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Municipality has the unconditional right to defer settlement of the liability for at least 12 months after the date of the Statement of Financial Position.

1.11. **Provisions**

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The municipality has discounted provisions to their present value when the effect of the time value of money is material. The notional interest charge representing the unwinding of the provision discounting is included in the Statement of Financial Position.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

1.12. **Employee Benefits**

1.12.1. *Pension obligations*

The Municipality operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Financial Performance in the accounting period in which it occurs.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

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For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.12.2. *Post Retirement Medical obligations*

The Municipality provides post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance. These obligations are valued annually by independent qualified actuaries

1.12.3. *Long Service awards*

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The municipality's obligation under these plans is valued by independent qualified actuaries at year-end and the corresponding liability is raised.

Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries are charged against the Statement of Financial Performance as employee benefits upon valuation.

1.13. *Financial Instruments*

Financial instruments carried in the Statement of Financial Position include cash and cash equivalents, investments, accounts receivable, accounts payable and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Municipality has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when it is extinguished, i.e. when the contractual right is discharged, cancelled or expires.

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Financial Assets

A financial asset is any asset that is a cash equivalent or contractual right to receive cash. The municipality has the following types of financial assets as reflected in the Statement of Financial Position or in the notes thereto:

- + Unlisted Investments
- + Investment in Fixed Deposits
- + Long-term Receivables
- + Consumer Debtors
- + Other Debtors
- + Short term Investment Deposits
- + Bank Balances and Cash
- + Operating lease assets

The Financial Assets of the municipality are presently classified as follows into three categories:

Type of Financial Asset	Classification in terms of IAS 39.09
Listed Investments	Held at fair value through profit or loss
Unlisted Investments	Held at fair value through profit or loss
Investments in Fixed Deposits	Held to maturity
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Short-term Investment Deposits	Held to maturity
Bank Balances and Cash	Held to maturity

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected in the Statement of Financial Position or in the notes thereto:

- + Long-term Liabilities
- + Provisions
- + Creditors
- + Bank Overdraft
- + Current Portion of Long-term Liabilities
- + Consumer Deposits
- + VAT
- + Operating lease liabilities

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ACCOUNTING POLICY – 30 JUNE 2009

There are two main categories of Financial Liabilities, based on how they are measured. Financial liabilities may be measured at:

- (i) Fair value through profit or loss; or
- (ii) Not at fair value through profit or loss ("other financial liabilities").

Trade Payables

Trade payables and other receivables are originally carried at fair value and subsequently are measured at amortised cost using the effective interest method

Accrued Leave Pay

Liability for annual leave is recognised as it accrues to employees. Provision is based on the total accrued leave days at year-end.

Unutilised Conditional Grants

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor – Unutilised conditional grants. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilisation of this creditor:

- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.
- Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Conditional Grants. The Government Grant Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

Measurement

Financial Assets:

Held-to-maturity investments and loans and receivables are initially measured at fair value, and subsequently measured at amortised cost. Financial assets are measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

Financial Liabilities:

Financial liabilities are measured at amortised cost using the effective interest rate method where applicable.

The requirement that financial assets and liabilities (previously instruments) should initially be measured at fair value has been exempted in terms of General notice 552 of 2007.

Impairment of Financial Assets:

Annually an assessment is made as to whether there is any impairment of Financial Assets. If so, the recoverable amount is estimated and an impairment loss is recognised.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made by assessing the recoverability of consumer debtors collectively after grouping the debtors in financial asset groups with similar credit risk characteristics.

Loans and Receivables are non-derivative Financial Assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost, using the effective interest rate method less a provision for impairment. All classes of loans and receivables are separately assessed for impairment annually.

1.14. Value Added Tax

The Council accounts for Value Added Tax on the cash basis.

1.15. Property Plant and Equipment

Land and buildings held for use in the production or supply of goods and services, or for administrative purposes, are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed every four years when the municipal valuation roll is updated.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a Revaluation Reserve in the Statement of Changes in Net Assets. Decreases that offset previous increases of the same asset are charged against the Revaluation Reserve directly in the Statement of Changes in Net Assets; all other decreases are charged to the Statement of Financial Performance. Each year the difference between depreciation based on the revalued carrying amount of the asset is charged to the Statement of Financial Performance and depreciation based on the asset's original cost is transferred from the Revaluation Reserve to the Accumulated Surplus/ (Deficit).

Depreciation on revalued land and buildings is charged to the Statement of Financial Performance. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the Revaluation Reserve is transferred directly to the accumulated surplus / deficit.

Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use. All other property, plant and equipment are stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy.

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ACCOUNTING POLICY – 30 JUNE 2009

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and buildings under construction over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		Other	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
Community		Specialised plant and	
Improvements	30	Equipment	10-15
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5
		Landfill sites	15

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised (net) in the Statement of Financial Performance. When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the Accumulated Surplus/ (Deficit) directly in the Statement of Changes in Net Assets.

Heritage assets, which are defined as culturally significant resources are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.

The Municipality has elected to make use of the following transitional provision of Directive 4 relating to GRAP 17 on property, plant and equipment:

- Application of the components approach in respect of infrastructure assets
- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.

1.16. Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost. Subsequent to initial recognition investment properties are shown at fair value, based on periodic, but at least every three years, valuations by external independent valuers. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

The Municipality has elected to make use of the following transitional provision of Directive 4 relating to GRAP 16 on investment property:

- The entire standard to the extent that the property is accounted for in terms of GRAP 17.
- Disclosure of the fair value of investment property if the cost model is applied.

1.17. Intangible Assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Municipality has elected not to make use of the transitional provision of Directive 4 relating to GRAP 102 on intangible assets as the municipality is in full compliance with the requirements of this Standard.

1.18. Impairment of Tangible and Intangible Assets

At each Statement of Financial Position date the municipality reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the municipality estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a Revaluation Reserve increase.

1.19. Inventories

Inventories consist of consumables and are stated at the lower of cost and net realizable value. Cost is determined using the first-in-first-out (FIFO) cost method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

The Municipality has elected to make use of the following transitional provision of Directive 4 relating to GRAP 12 on inventories:

- * The entire standard to the extent that it relates to water stock that was not purchased by the municipality.

1.20. Trade and other Receivables

Trade receivables are recognised initially at originating cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectible, it is written off in terms of the municipality's Credit Control and Debt Collection Policy. Subsequent recoveries of amounts previously written off are credited against to the Statement of Financial Performance.

1.21. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1.22. Revenue Recognition

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity and water prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly.

Service charges from sewerage and sanitation for residential and business properties are levied monthly based on a fixed tariff.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Interest earned on investments is recognised in the Statement of Financial Performance on a time proportionate basis that takes into account the effective yield on the investment. Interest earned on the following investments is not recognised in the Statement of Financial Performance:

- * Interest earned on unutilised conditional grants is allocated directly to the unutilised conditional grant creditor, if the grant conditions indicate that interest is payable to the funder.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

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ACCOUNTING POLICY – 30 JUNE 2009

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

1.22.1. *Revenue from non-exchange transactions*

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.22.2. *Conditional Grants and Receipts*

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.23. **Related parties**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.24. **Unauthorised Expenditure**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. **Irregular Expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. **Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. **Rounding**

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are rounded off to the nearest Rand.

1.28. **Other Exemptions Taken not Elsewhere Disclosed in This Policy**

The Municipality has elected to make use of the following additional transitional provision of Directive 4:

- Classification, measurement and disclosure of non-current assets held for sale.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2 008 R
2 HOUSING DEVELOPMENT FUND		
Housing Development Fund	-	3 051 267
Unappropriated Surplus	-	3 051 267
The above balances are represented by cash and is invested together with the other investments of the municipality (See Notes 19 and 24)		
3 NETT ASSET RESERVES		
Reserves	148 088 969	138 867 486
Capital Replacement Reserve	32 992 064	29 451 578
Capitalisation Reserve	31 522 164	34 565 829
Government Grant Reserve	83 574 741	74 850 080
Sub-total	148 088 969	138 867 486
Total Nett Asset Reserve Assets and Liabilities	148 088 969	138 867 486
4 ACCUMULATED SURPLUS/(DEFICIT) 30 June 2008		
Accumulated Surplus/(Deficit)		
Balance Previously Reported		213 844 999
Implementation of IAS 19 Employee Benefits		(25 779 907)
Correction of Asset Register Note 14		28 716 074
Correction of Asset Register Note 14 Transferred to Capitalisation Reserve		589 983
Correction of Asset Register Note 16		(2 229 830)
Correction of VAT Provision Note 12		985 577
Balance now Reported		216 126 896
5 LONG-TERM LIABILITIES		
Annuity Loans - At amortised cost	47 092 732	31 434 789
Capitalised Lease Liability - At amortised cost	488 816	87 575
Sub-total	47 581 548	31 522 364
Less : Current portion transferred to current liabilities	(1 749 570)	(1 637 228)
Financial Lease	(178 631)	(31 816)
Annuity Loans	(1 570 939)	(1 605 413)
Total External Loans - At amortised cost	45 831 978	29 885 136

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3 (2) b of the above-mentioned notice

* Leases (AC 105) Recognising operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

The obligations under finance leases are scheduled below:

	Minimum lease payments
Amounts payable under finance leases:	
Payable within one year	178 631
Payable within two to five years	200 710
	379 341
Less: Future finance obligations	5 274
Present value of lease obligations	374 067
Less: Amounts due for settlement within 12 months	(178 631)
Amount due for settlement after 12 months	195 436

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance leases.

Leases are secured by property, plant and equipment. - Note 14

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2 008 R
5 LONG-TERM LIABILITIES (continued)		
A bond is registered on the Town Hall of Ashton in favour of the Development Bank of South Africa as security for the following loans:		
1) Extension - Municipal Offices	288 000	288 000
2) Vehicle Testing Station	298 000	298 000
3) Paving	157 000	157 000
4) Electrification - Industrial Area	40 000	40 000
	783 000	783 000
The outstanding amounts on the above loans are.	513 093	534 549
Debtors to the value of R 2 500 000 is ceded to the Development Bank of South Africa as security for the following loans: (Loan WC 13452)		
1) Bulk Water Supply	2 301 237	2 301 237
2) Moveable Assets	150 000	150 000
3) Infrastructure Development	3 065 550	3 065 550
	5 516 787	5 516 787
The outstanding amounts on the above loans are.	2 891 449	3 161 346
Debtors to the value of R 650 000 is ceded to the Development Bank of South Africa as security for the following loans: (Loan WC 13586)		
1) Moveable Assets	390 000	390 000
2) Infrastructure Development	1 080 000	1 080 000
	1 470 000	1 470 000
The outstanding amounts on the above loans are.	534 860	581 369
6 NON-CURRENT PROVISIONS		
6.1 Non-current provision liabilities		
Rehabilitation of Landfill-sites	3 342 318	3 600 540
Total	3 342 318	3 600 540
Balance 1 July 2008	Landfill-Site 3 600 540	Landfill-Site 3 600 540
Contribution for the year	44 829	
	3 645 369	3 600 540
Less: Transfer of current portion to current provisions - Note 9	(303 051)	
Balance 30 June 2009	3 342 318	3 600 540
Provision for the rehabilitation of landfill-sites		
Balance 1 July 2008	3 600 540	3 600 540
Charged / (credited) to the income statement:	44 829	-
- Additional provisions	-	-
- Contribution to provision - Change in Accounting Policy	168 278	
Reversal of provision overstated	(123 449)	
Transfer to current portion	(303 051)	-
Balance 30 June 2009	3 645 369	3 600 540

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2 008 R
7 EMPLOYEE BENEFITS		
Accumulated leave	5 503 602	4 705 086
Performance Bonus	338 849	336 350
Annual Bonus	2 266 609	1 951 325
Long Service Awards	3 633 984	3 443 004
Post Retirement Medical	23 903 360	22 336 903
	<u>35 646 405</u>	<u>32 772 668</u>
Less: Transfer of current portion to current provisions	5 503 602	4 705 086
Performance Bonus	338 849	336 350
Annual Bonus	2 266 609	1 951 325
Long Service Awards	271 478	377 017
Post Retirement Medical	837 372	767 532
Current Portion	<u>9 217 911</u>	<u>8 137 310</u>
Non Current Portion	<u>26 428 494</u>	<u>24 635 358</u>

	Balance at beginning of year	Charged against Statement of Financial Performance	Payments made	Balance at end of year
30 June 2009				
Accumulated leave	4 705 086	1 344 672	(546 156)	5 503 602
Performance Bonus	336 350	362 955	(360 456)	338 849
Annual Bonus	1 951 325	4 000 687	(3 685 403)	2 266 609
Long Service Awards	3 443 004	567 997	(377 017)	3 633 984
Post Retirement Medical	22 336 903	2 333 989	(767 532)	23 903 360
Total	<u>32 772 668</u>	<u>8 610 300</u>	<u>(5 736 564)</u>	<u>35 646 405</u>

	Balance Previously Reported	Transferred from Current Provisions (IAS 19)	Balance now Reported
30 June 2008			
Accumulated leave	-	4 705 086	4 705 086
Performance Bonus	-	336 350	336 350
Annual Bonus	-	1 951 325	1 951 325
Long Service Awards	-	3 443 004	3 443 004
Post Retirement Medical	-	22 336 903	22 336 903
Total	<u>-</u>	<u>32 772 668</u>	<u>32 772 668</u>

	Balance at beginning of year	Charged against Statement of Financial Performance	Payments made	Balance at e nd of year
30 June 2008				
Accumulated leave	4 441 732	691 829	(428 475)	4 705 086
Performance Bonus		336 350		336 350
Annual Bonus	1 657 308	3 382 492	(3 088 475)	1 951 325
Long Service Awards	2 863 013	724 335	(144 344)	3 443 004
Post Retirement Medical	18 378 983	4 685 132	(727 212)	22 336 903
Total	<u>27 341 036</u>	<u>9 820 138</u>	<u>(4 388 506)</u>	<u>32 772 668</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
7 EMPLOYEE BENEFITS (continued)		
Other defined benefit plan information		
<i>Post Employment Health Care Benefits</i>		
The Post Employment Health Care Benefit plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	142	
Continuation members (e.g. retirees, widows)	46	
Total	188	
The liability in respect of past service has been estimated to be as follows:		
In-service members	12 079 972	-
Continuation members	11 823 388	-
Total	23 903 360	-
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
Bonitas;		
Hosmed		
LA Health		
Munimed, and		
SAMWU Medical Aid		
The Future-service Cost for the ensuing year is estimated to be	1 097 399	1 040 792
Interest- Cost for the next year is estimated to be	2 155 885	2 374 971
Amounts recognised in Statement of Financial Position		
Present value of fund obligations	23 903 360	22 336 903
Fair value of plan assets	-	-
Net liability / (asset)	23 903 360	22 336 903
Amounts recognised in Statement of Financial Performance		
Current service cost	1 040 792	927 543
Interest Cost	2 374 971	1 495 395
Actuarial (gains) / losses	(1 081 774)	2 262 194
	2 333 989	4 685 132
Reconciliation of present value of defined benefit obligation:		
Present value of fund obligation at the beginning of the year	22 336 903	18 378 983
Amounts recognised in Statement of Financial Performance	2 333 989	4 685 132
Benefits Paid	(767 532)	(727 212)
Present value of fund obligation at the end of the year	23 903 360	22 336 903
Key assumptions used:		
Discount rate	9,18%	10,81%
Health Care Cost Inflation Rate	7,81%	9,66%
Net Effective Discount Rate	1,27%	1,05%

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

7 EMPLOYEE BENEFITS (continued)

Sensitivity analysis

The effect of a one percent movement in the assumed rate of Health Care Cost Inflation is as follows:

	Amount	Percentage Change
Increase		
Effect on the aggregate of the Current-Service and Interest cost	3 974 500	16,00%
Effect on the Defined Benefit Obligation	27 289 000	14,00%
Decrease		
Effect on the aggregate of the Current-Service and Interest cost	2 960 500	(13,00%)
Effect on the Defined Benefit Obligation	21 101 000	(12,00%)

	2009 R	2 008 R
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Provision for Long Service Awards

The Long Service Awards plans are defined benefit plans. As at year end, 650 employees were eligible for Long Service Bonuses.

The liability in respect of Long Service Awards has been estimated to be as follows:

	3 663 984	3 443 004
The Future-service Cost for the ensuing year is estimated to be	431 007	475 146
Interest- Cost for the next year is estimated to be	322 054	357 673

Amounts recognised in Statement of Financial Position

Present value of fund obligations	3 663 984	3 443 004
Fair value of plan assets	-	-
Net liability / (asset)	3 663 984	3 443 004

Amounts recognised in Statement of Financial Performance

Current service cost	475 146	296 854
Interest Cost	357 673	235 552
Actuarial (gains) / losses	(264 822)	191 929
	567 997	724 335

Reconciliation of present value of defined benefit obligation:

Present value of fund obligation at the beginning of the year	3 443 004	2 863 013
Amounts recognised in Statement of Financial Performance	567 997	724 335
Benefits Paid	(377 017)	(144 344)
Present value of fund obligation at the end of the year	3 633 984	3 443 004

Key assumptions used:

Discount rate	9,20%	10,96%
General Salary Inflation Rate	6,61%	9,76%
Net Effective Discount Rate	2,43%	1,09%

8 CONSUMER DEPOSITS

Municipal Services	4 598 639	4 336 523
Total Consumer Deposits	4 598 639	4 336 523

The fair value of consumer deposits approximate their carrying value.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2 008 R
9	PROVISIONS		
	Provision for SALA Pension Fund	747 765	
	Accrued Contribution	531 913	
	Accrued Interest	215 852	
	Current portion of rehabilitation of landfill sites provision - Note 6	303 051	
	Total Provisions	1 050 816	-
	The movement in current provisions are reconciled as follows: -		
		Current portion Landfill Site	SALA Pension Fund
	Balance at beginning of year		
	Transfer from non-current	303 051	
	Contributions to provision	-	747 765
	Expenditure incurred	-	
	Balance at end of year	303 051	747 765
		Transferred to Employee Benefits (IAS19)	Balance now reported
	30 June 2008	Balance previously reported	
	Performance Bonus	336 350	336 350
	Annual Bonus	1 951 325	1 951 325
	Total Provisions	2 287 675	2 287 675
		2009 R	2 008 R
10	TRADE PAYABLES		
	Sundry Payables		
	Trade payables	22 553 959	9 308 550
	Payments received in advance	2 387 735	759 791
	Insurance Claims	430 707	-
	Suspense	235 502	49 184
	Retentions and Guarentees	166 747	687 862
	Deposits: Other	1 498 457	1 857 125
		27 273 107	12 662 512
	Employee Benefit Liabilities		
	Staff Leave liability i.t.o. GAMAP 19.15(b)		
	Balance Previously Reported		4 705 086
	Transferred to Employee Benefits. (IAS19)		(4 705 086)
	Balance now Reported		-
	Total Creditors	27 273 107	12 662 512
	Payables being paid within 30 days are being recognised net of discounts.		
11	UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
	<i>Conditional Grants from other spheres of Government</i>		
	Unspent Grants	5 089 927	6 643 949
	Less: Unpaid Grants	1 505 566	963 236
	Total Conditional Grants and Receipts	3 584 362	5 680 713

See appendix "F" for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilised and approximate its carrying value. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised (Note 24). No grants were withheld.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2 008 R
12 TAXES	2 747 293	268 034
VAT payable	<u>2 747 293</u>	<u>268 034</u>
Balance Previously Reported		1 253 611
Correction of VAT Provision		<u>(985 577)</u>
Balance now Reported		<u>268 034</u>

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

- 13 SHORT-TERM LOANS**
The Municipality has no short term loans

- 14 PROPERTY, PLANT AND EQUIPMENT**
30 June 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Leased Assets	Other R	Total R
Carrying values at 1 July 2008	71 731 847	153 451 906	61 480 314	81 502	49 664 549	336 410 119
Cost	116 024 190	209 404 240	75 027 707	226 600	79 160 928	479 843 665
Accumulated depreciation	(44 292 343)	(55 952 334)	(13 547 393)	(145 098)	(29 496 379)	(143 433 547)
Opening Balance	(44 292 343)	(55 952 334)	(13 547 393)	(145 098)	(29 496 379)	(143 433 547)
- Revaluation	-	-	-	-	-	-
Acquisitions	4 893 381	29 908 756	2 101 616	559 211	8 754 564	46 217 527
Donated land, vehicles and equipment						
- At cost	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Depreciation **	(3 117 149)	(11 252 245)	(1 299 950)	(198 610)	(4 845 347)	(20 713 301)
- based on cost	(3 117 149)	(11 252 245)	(1 299 950)	(198 610)	(4 845 347)	(20 713 301)
- Backlog on previously not recorded						-
Carrying value of disposals	(4 889 174)	-	-	-	(23 380)	(4 912 554)
Cost/revaluation	(9 038 000)	-	-	-	(71 221)	(9 109 221)
Accumulated depreciation	4 148 826	-	-	-	47 841	4 196 667
Impairment losses	-	-	-	-	-	-
Adjustments through profit and loss	-	-	-	-	-	-
At cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
	<u>68 618 906</u>	<u>172 108 417</u>	<u>62 281 979</u>	<u>442 103</u>	<u>53 550 386</u>	<u>357 001 791</u>
Carrying values at 30 June 2009	68 618 906	172 108 417	62 281 979	442 103	53 550 386	357 001 791
Cost	111 879 571	239 312 996	77 129 323	785 811	87 844 271	516 951 971
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(43 260 665)	(67 204 579)	(14 847 343)	(343 708)	(34 293 885)	(159 950 180)
- Cost	(43 260 665)	(67 204 579)	(14 847 343)	(343 708)	(34 293 885)	(159 950 180)
- Revaluation	-	-	-	-	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Leased Assets	Other R	Total R
14 PROPERTY, PLANT AND EQUIPMENT (continued)						
30, June 2008						
Carrying values at 1 July 2007	74 912 622	141 034 731	60 728 290	331 980	43 968 625	320 976 247
Cost	146 330 692	187 760 522	74 358 182	1 474 100	61 650 746	471 574 242
Adjustments to Cost	(9 579 424)	(175 786)	(908 769)	12 500	8 229 307	(2 422 173)
Transferred to investment property note 16	(17 896 000)	-	-	-	-	(17 896 000)
Accumulated depreciation	(43 942 646)	(46 550 005)	(12 721 123)	(1 154 620)	(25 911 428)	(130 279 822)
Opening Balance	(46 602 500)	(47 407 686)	(37 651 125)	(1 142 120)	(27 329 098)	(160 132 528)
Adjustments	2 659 854	857 680	24 930 002	(12 500)	1 417 670	29 852 706
- Revaluation	-	-	-	-	-	-
Acquisitions	5 120 923	21 819 504	1 580 294	55 000	9 824 380	38 400 101
Donated vehicles and equipment -						
At cost	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At Cost	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Depreciation	(3 447 561)	(9 402 328)	(827 371)	(305 478)	(4 033 200)	(18 015 939)
- based on cost	(3 447 561)	(9 402 328)	(827 371)	(305 478)	(4 033 200)	(18 015 939)
- Backlog on previously not recorded	-	-	-	-	-	-
Carrying value of disposals	(4 854 135)	-	(899)	-	(95 255)	(4 950 290)
Cost/revaluation	(7 952 000)	-	(2 000)	(1 315 000)	(543 504)	(9 812 504)
Accumulated depreciation	3 097 865	-	1 101	1 315 000	448 249	4 862 214
Impairment losses	-	-	-	-	-	-
Adjustments through profit and loss	-	-	-	-	-	-
At cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
	71 731 847	153 451 906	61 480 314	81 502	49 664 549	336 410 119
Carrying values at 30 June 2008	71 731 847	153 451 906	61 480 314	81 502	49 664 549	336 410 119
Cost	116 024 190	209 404 240	75 027 707	226 600	79 160 928	479 843 665
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(44 292 343)	(55 952 334)	(13 547 393)	(145 098)	(29 496 379)	(143 433 547)
- Cost	(44 292 343)	(55 952 334)	(13 547 393)	(145 098)	(29 496 379)	(143 433 547)
- Revaluation	-	-	-	-	-	-

The leased property, plant and equipment is secured as set out in Note 5.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

- Property, Plant and Equipment (GAMAP 17) Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
- Property, Plant and Equipment (GAMAP 17) Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
- Property, Plant and Equipment (GAMAP 17) Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
- Property, Plant and Equipment (GAMAP 17) Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]
- Impairments of Assets (AC 128) Entire Standard
- Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
15 NON-CURRENT ASSETS HELD FOR SALE		
Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.		
♦ Non-current Assets Held for Sale and Discontinued Operations (AC142) Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]		
16 INVESTMENT PROPERTY		
Cost	18 008 000	17 896 000
Less: Accumulated Depreciation	30 021	27 521
Total Investment Properties	<u>17 977 979</u>	<u>17 868 479</u>
The Municipality only identified Investment Properties during the 2008/2009 financial year. The value of Investment Properties was included under Property, Plant and Equipment in the prior year. The fair value of the investment properties has not been determined in terms of the exemption in terms of the transitional provisions.		
Revenue to the amount of R Nil was earned from the Investment Properties, which is a return of nil %.		
17 INTANGIBLE ASSETS		
Cost	1 416 674	612 421
Balance 1 July 2008	612 421	448 343
Aquisitions for the year – At cost	804 253	164 078
Less: Accumulated Amortisation	(303 924)	(109 101)
Balance 1 July 2008	(109 101)	(14 306)
Accumulated Amortisation for the year	(194 823)	(94 795)
Total Intangible Assets	<u>1 112 750</u>	<u>503 320</u>
The Municipality transferred Intangible Assets (Computer Software) from Property, Plant and Equipment. The cost and accumulated amortisation were restated for the 2006 financial year.- Note 14		
Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.		
♦ Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.		
18 BIOLOGICAL ASSETS		
The Municipality has no biological assets	–	–
19 INVESTMENTS		
Financial Instruments		
Listed		
Sanlam Shares held at fair value through profit and loss 270 shares	4 685	4 482
Total Investments	<u>4 685</u>	<u>4 482</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
20 LONG-TERM RECEIVABLES		
Staff Car Loans – At amortised cost	–	66 523
Provincial Government Housing Loans – At amortised cost	2 924 766	3 275 532
Provincial Government Library Services	3 898 905	
Staff Study loans – At amortised cost	115 644	70 326
Services connections – At amortised cost	474 581	529 876
Land Sales – At amortised cost	619 789	887 496
Agreements	9 612 187	7 929 082
	<u>17 645 873</u>	<u>12 758 836</u>
Less : Provision for bad debts	<u>(13 937 538)</u>	<u>(7 644 604)</u>
	<u>3 708 334</u>	<u>5 114 232</u>
Less : Current portion transferred to current receivables	<u>(2 542 374)</u>	<u>(2 220 209)</u>
Total	<u><u>1 165 960</u></u>	<u><u>2 894 023</u></u>
CAR LOANS		
Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are redeemed July 2009 or when the employee resigns.		
The car loans are secured over the asset.		
21 INVENTORY		
Consumable Stores – Stationery and materials	8 634 622	9 081 197
Total Inventory	<u><u>8 634 622</u></u>	<u><u>9 081 197</u></u>
The value of the water stock has not been determined in terms of the exemption in terms of the transitional provisions.		
22 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Water	4 002 621	4 444 278
Electricity	8 718 839	5 640 686
Housing Rentals	710 271	1 136 195
Refuse	2 691 030	2 240 085
Sanitation	3 456 222	2 918 206
Other Arrears	1 429 153	6 060 003
Total : Trade receivables from exchange transactions	<u>21 008 136</u>	<u>22 439 453</u>
Less : Provision for bad debts	<u>(8 408 032)</u>	<u>(13 444 857)</u>
Total	<u><u>12 600 103</u></u>	<u><u>8 994 596</u></u>
Debtor accounts written off during the year:	<u><u>4 148 495</u></u>	<u><u>400 778</u></u>
The fair value of other receivables approximate their carrying value.		
(Electricity, Water, Refuse, Sanitation and Other): Ageing		
Current (0 – 30 days)	9 794 812	8 475 306
31 – 60 Days	1 670 234	1 262 200
61 – 90 Days	997 142	901 172
+ 90 Days	8 545 948	11 800 776
Total	<u><u>21 008 135</u></u>	<u><u>22 439 453</u></u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Residential R	Industrial/ Commercial R	National and Provincial Government R
30 June 2009			
22 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)			
Summary of Debtors by Customer Classification			
Current (0 – 30 days)	3 016 455	6 734 717	43 640
31 – 60 Days	1 024 143	644 512	1 578
61 – 90 Days	741 999	253 778	1 364
+ 90 Days	7 251 389	1 254 644	39 915
Sub-total	12 033 986	8 887 652	86 498
Less: Provision for bad debts	(7 305 316)	(1 060 620)	(22 262)
Total debtors by customer classification	4 728 670	7 827 031	64 236
 30 June 2008	 R	 R	 R
Current (0 – 30 days)	2 809 168	5 304 499	361 638
31 – 60 Days	870 055	363 206	28 939
61 – 90 Days	702 150	172 004	27 018
+ 90 Days	5 712 777	1 798 556	4 289 442
Sub-total	10 094 151	7 638 264	4 707 037
Less: Provision for bad debts	(6 048 027)	(4 576 554)	(2 820 276)
Total debtors by customer classification	4 046 124	3 061 710	1 886 762

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

	2009 R	2008 R
23 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes – Rates	4 060 952	3 455 397
Availability Charges	2 143 205	1 725 714
Other Debtors	669 454	415 327
Taxes – VAT		
Other Debtors	6 873 612	5 596 438
Less : Provision for bad debts	(4 362 685)	(3 353 171)
Total	2 510 927	2 243 267
 Rates: Ageing		
Current (0 – 30 days)	1 114 764	706 290
31 – 60 Days	220 236	237 322
61 – 90 Days	122 629	175 784
+ 90 Days	2 603 323	2 336 001
Total	4 060 952	3 455 397
 Availability Charges: Ageing		
Current (0 – 30 days)	134 444	98 556
31 – 60 Days	72 646	64 173
61 – 90 Days	57 946	57 068
+ 90 Days	1 878 169	1 505 917
Total	2 143 205	1 725 714

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
24 CASH AND CASH EQUIVALENTS		
Assets		
Call Investment Deposits	92 146 276	51 082 923
Primary Bank Account	3 949 482	17 579 162
Cash Floats	7 507	7 227
Total Cash and Cash Equivalents – Assets	96 103 264	68 669 312
Liabilities		
Primary Bank Account (Overdraft)	–	–
Total Cash and Cash Equivalents – Liabilities	–	–
The effective interest rate was 6.98% (2008: 6.3%).		
The Municipality has the following bank accounts: –		
<i>Current Account (Primary Bank Account)</i>		
ABSA – Account Number 1050000008 (Primary Account)	8 467 487	17 402 582
ABSA – Account Number 4062728351	3 100	2 400
	8 470 587	17 404 982
Cash book balance at beginning of year	17 579 162	23 227 056
Cash book balance at end of year	3 949 482	17 579 162
Bank statement balance at beginning of year – (overdrawn)	17 404 982	30 921 015
Bank statement balance at end of year – (overdrawn)	8 470 587	17 404 982
The Municipality has the following investments: –		
Nedbank – Account Number 18662451/9998	31 974	28 847
Nedbank – Account Number 03/7881034971/000008	31 277 260	25 288 219
Standard bank – Account Number 288474023-002	30 590 301	
ABSA – Account Number 2069170658	30 246 740	25 765 856
	92 146 276	51 082 923
Amount ringfenced in investments -Fixed and Call- Accounts in order to fund the Capital Replacement Reserve	32 992 064	29 451 578
Amount ringfenced in investments -Fixed and Call- Accounts- in order to fund the Unspent Conditional Grants	5 089 927	6 643 949
The effective interest rate was 6.98% (2008: 6.98%).		
Investments made to serve as collateral security for staff housing loans:	31 974	28 847
25 PROPERTY RATES		
Actual		
Property Rates Levied	25 924 823	39 816 051
Less: Income Foregone	(5 601 124)	(19 493 197)
Total Assessment Rates	20 323 699	20 322 854
Valuations		
Taxable properties	01 July 2008 5 946 719 730	01 July 2007 5 765 790 730
Total Property Valuations	5 946 719 730	5 765 790 730

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2003. The basic rate was 1,67 c per Rand on land and buildings (2007 = 1,59c/R). There are 15 926 properties of which 13 430 are residential. Pensioners qualify for discounts of 20-40%

Rates are levied monthly and payable by the 7th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
26 SERVICE CHARGES		
Sale of electricity	118 556 472	93 528 960
Sale of Water	20 814 939	19 900 210
Waste Management charges	14 813 424	14 492 529
Waste Water Management charges	11 044 307	10 536 050
Private Works	–	–
Total Service Charges	165 229 142	138 457 749
<i>Electricity</i>		
Units bought/generated	277 957 301	269 658 444
Units sold	260 178 449	248 917 218
Units lost in distribution	17 778 852	20 741 226
Units lost in distribution (%)	6,396%	7,692%
Cost per unit bought/generated (cents)	R 0,347	R 0,264
Loss in Distribution (at cost)	R 6 162 145	R 5 478 459
<i>Water</i>		
Units bought/treated	7 068 340	6 545 378
Units sold	5 128 221	5 188 202
Units lost in distribution	1 940 119	1 357 176
Units lost in distribution (%)	27,448%	20,735%
Cost per unit sold (cents)	R 3,942	R 3,451
Loss in Distribution (at selling price)	R 7 647 895	R 4 682 948
27 GOVERNMENT GRANTS AND SUBSIDIES		
UNCONDITIONAL GRANTS		
Operating Grants	27 025 097	20 085 293
Equitable Share	27 025 097	20 085 293
In terms of the Constitution, this grant is an unconditional grant. The grant is primarily used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy equal to basic charges for Electricity, Refuse Removal, Sewerage and Water Services, which subsidy is adjusted as tariffs increase. All residential households receive 6 kl water and indigent households receive between 20 and 50 kwh electricity free every month.		
CONDITIONAL GRANTS		
Operating Grants	3 242 280	1 655 825
Finance Management Grant	798 779	481 905
Municipal Systems Improvement Grant	798 232	438 624
Other	1 645 269	735 296
Capital Grants	19 934 862	9 946 566
Municipal Infrastructure Grant	7 669 165	1 786 401
Housing Grant	10 713 700	4 589 033
Other	1 551 997	3 571 132
Total Government Grants and Subsidies	50 202 239	31 687 684

(See Appendix "F" for a reconciliation of all grants).

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	2008 R
28 OTHER INCOME			
Other income represents sundry income such as certificates, cemetery charges and photocopies		11 589 830	5 164 823
		–	–
Total Other Income		11 589 830	5 164 823
	Balance Previously Reported	Correction	Balance now Reported
2008			
Other Income	4 179 246	985 577	5 164 823
29 EMPLOYEE RELATED COSTS			
Employee related costs – Salaries and Wages		50 759 473	43 150 955
Employee related costs – Contributions for UIF, pensions and medical aids		12 255 997	10 402 614
Travel, motor car, accommodation, subsistence and other allowances		4 119 944	3 847 095
Housing benefits and allowances		769 920	662 049
Overtime Payments		3 067 597	2 791 184
Bonus		4 783 814	3 718 842
Staff Leave		869 757	690 565
Contribution to employee benefits -Long Service Awards – Note 7		475 146	296 854
Contribution to employee benefits – Post Retirement Medical – Note 7		1 075 073	927 543
		78 176 721	66 487 702
Less: Employee Costs Capitalised			
Total Employee Related Costs		78 176 721	66 487 702
	Balance Previously Reported	Implementation of IAS 19	Balance now Reported
2008			
Employee related costs – Salaries and Wages	44 022 511	(871 556)	43 150 955
Contribution to employee benefits -Long Service Awards – Note 7		296 854	296 854
Contribution to employee benefits – Post Retirement Medical – Note 7		927 543	927 543
The Municipality pays for the medical aid of retired officials. There are currently fourty six retired officials who qualify for this benefit.			
The contribution to medical expenses of retired officials and/or their spouses			
		801 813	774 688
KEY MANAGEMENT PERSONNEL			
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.			

CHAPTER FOUR

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
29 EMPLOYEE RELATED COSTS (continued)		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>MUNICIPAL MANAGER: S A MOKWENI</i>		
From 5 April 2007		
Salary	525 405	448 282
Travel Allowance	153 988	132 710
Risk Allowance		8 333
Performance Bonus	103 854	23 881
Pension	95 283	78 905
Medical Aid	16 686	14 011
Equipment Allowance		6 808
Housing Allowance		6 539
Office Allowance	12 736	24 000
U.I.F.		117
Entertainment Allowance		6 694
Sundry		28 997
Compensating Allowance		
Travelling	12 906	9 542
Subsistence	714	1 977
Total	921 572	790 796
<i>CHIEF FINANCIAL OFFICER: C F HOFFMANN</i>		
From 1 June 2007		
Salary	410 000	375 000
Travel Allowance	140 780	133 133
Performance Bonus	59 675	
Pension	74 087	67 763
Medical Contribution	21 409	20 012
U.I.F.		
Compensating Allowance		
Travelling	10 900	7 942
Subsistence	1 089	5 644
Total	717 940	609 493
<i>DIRECTOR: INFRASTRUCTURE DEVELOPMENT: J DE K JOOSTE</i>		
Salary	346 560	320 000
Travel Allowance	158 513	160 158
Performance Bonus	59 675	43 688
Pension	83 175	57 600
Medical Contribution	29 314	27 670
Leave Payout		29 582
U.I.F.		
Entertainment Allowance	28 715	31 319
Sundry	1 074	
Compensating Allowance		
Travelling	4 434	
Subsistence	115	84
Total	711 575	670 101

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
29 EMPLOYEE RELATED COSTS (continued)		
REMUNERATION OF KEY MANAGEMENT PERSONNEL continued		
<i>DIRECTOR: COMMUNITY DEVELOPMENT : M J MHLOM</i>		
From 1 February 2007		
Salary	420 000	360 000
Travel Allowance	123 603	106 800
Housing Allowance		11 495
Performance Bonus	59 675	17 522
Pension	75 600	64 800
Medical Contribution	13 421	12 024
Equipment Allowance	7 144	16 010
Office Allowance	6 509	14 400
U.I.F.		
Entertainment Allowance		11 217
Sundry		15 153
Compensating Allowance		
Travelling	2 462	9 770
Subsistence	2 717	8 821
Total	711 131	648 012
<i>DIRECTOR: CORPORATE SERVICES: A W J EVERSON</i>		
From 1 June 2007		
Salary	416 800	380 000
Travel Allowance	125 613	123 345
Performance Bonus	77 577	
Pension	75 024	68 400
Medical Contribution	22 349	19 008
Leave Payout	24 857	
Equipment Allowance	6 491	5 994
U.I.F.		
Sundry		3
Compensating Allowance		
Travelling	15 463	6 139
Subsistence	813	2 206
Telephone		
Total	764 987	605 095
<i>DIRECTOR: STRATEGIC SERVICES AND ECONOMIC DEVELOPMENT: P R ESAU</i>		
From 1 October 2006		
Salary	104 103	384 500
Bonus		27 728
Travel Allowance	39 186	143 903
Performance Bonus		31 946
Pension		69 210
Medical Contribution		10 814
Leave Payout	11 668	
Sundry	21 442	
Total	176 399	668 101

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
30 REMUNERATION OF COUNCILLORS		
<i>EXECUTIVE MAYOR: S J NGONYAMA</i>		
Allowance	365 056	350 472
Transport	129 674	116 824
Telephone/Cell phone	15 984	14 400
Pension fund	36 571	
Sundry		11 218
Housing	6 929	
U.I.F.	125	
	554 339	492 914
<i>DEPUTY EXECUTIVE MAYOR: C J GROOTBOOM</i>		
Allowance	289 852	280 377
Transport	103 739	93 459
Telephone/Cell phone	15 984	14 400
Pension fund	28 469	
Medical aid		
Sundry	5 178	1 440
U.I.F.	125	
Compensating Allowance		
Subsistence	213	
	443 560	389 676
<i>SPEAKER: M W H DU PREEZ</i>		
Allowance	311 219	280 377
Transport	103 739	93 459
Telephone/Cell phone	15 984	14 400
Pension fund		
Sundry		1 440
U.I.F.	125	
Compensating Allowance		
Travelling	858	
Subsistence	1 446	
	433 371	389 676
<i>MEMBER OF EXECUTIVE MAYORAL COMMITTEE: C O MATTHYS</i>		
Until 31 July 2007		
Allowance		20 376
Transport		6 792
Telephone/Cell phone		1 117
Pension fund		
Sundry		3 030
	–	31 315
<i>MEMBER OF EXECUTIVE MAYORAL COMMITTEE: O SIMPSON</i>		
Allowance	271 910	262 854
Transport	97 255	87 618
Telephone/Cell phone	15 984	14 400
Pension fund	26 946	
Housing	4 737	2 503
U.I.F.	125	
	416 957	367 375

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
30 REMUNERATION OF COUNCILLORS (continued)		
<i>MEMBER OF EXECUTIVE MAYORAL COMMITTEE: E J VOLLENHOVEN</i>		
From 10 August 2007		
Allowance	275 048	235 379
Transport	92 685	78 460
Telephone/Cell phone	15 984	12 919
Pension fund	26 946	
Medical aid	5 733	
Sundry		1 324
Housing	3 806	
U.I.F.	125	
	<u>420 327</u>	<u>328 081</u>
<i>OTHER COUNCILLORS</i>		
Allowance	1 589 306	1 784 637
Transport	563 839	525 818
Telephone/Cell phone	149 927	
Pension fund	99 349	
Medical aid	45 887	
Housing	10 906	
Compensating Allowance		
Travelling	2 486	
Subsistence	479	
	<u>2 462 179</u>	<u>2 310 455</u>
Total Councillors' Remuneration	<u>4 730 734</u>	<u>4 216 902</u>
In-kind Benefits		
The Executive Mayor, Deputy Executive Mayor, Mayoral Committee members and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
31 INTEREST PAID		
Long-term liabilities	6 148 436	4 386 022
Employee benefits	2 732 644	1 730 947
Total Interest on External Borrowings	<u>8 881 080</u>	<u>6 116 969</u>
	Balance Previously Reported	Balance now Reported
2008		
Employee benefits	1 730 947	1 730 947
32 BULK PURCHASES		
Water	1 089 587	1 105 506
Electricity	70 255 304	49 877 300
Total Bulk Purchases	<u>71 344 891</u>	<u>50 982 806</u>
33 GRANTS AND SUBSIDIES PAID		
Free Basic Services	9 748 267	7 238 310
Total Grants and Subsidies	<u>9 748 267</u>	<u>7 238 310</u>
34 CHANGES IN FAIR VALUE (LOSS)		
	Balance Previously Reported	Balance now Reported
2008		
Changes in Fair Value (Loss)	1 426	2 455 549

CHAPTER FOUR

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
35 GENERAL EXPENSES		
General Expenses	32 515 543	26 377 715
General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.		
36 SURPLUS OF ASSOCIATE		
The municipality has got no shares in associates		
37 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 – IMPLEMENTATION OF GAMAP/GRAP		
Please refer to notes 7, 9, 10 and 29 for the adjustments to prior year amounts resulting from the implementation of GRAP.		
38 CORRECTION OF ERROR IN TERMS OF GRAP 3		
Prior year adjustments		
38.1 Taxes		
Balance previously reported		4 017 520
Implementation of GAMAP		
VAT previously not recognised credited to Accumulated Surplus – Note 38.2		(1 525 720)
Total		<u>2 491 801</u>
38.2 Accumulated Surplus/(Deficit)		
VAT previously not recognised credited to Accumulated Surplus – Note 38.1		1 525 720
Depreciation difference with asset register		(11)
Total		<u>1 525 708</u>
38.3 Capital Replacement Reserve		
Balance previously reported		29 451 578
Amount understated		254 696
Total		<u>29 706 274</u>
39 CASH GENERATED BY OPERATIONS		
Surplus for the year	15 784 318	10 299 169
Adjustment for:-		
Depreciation	20 592 351	18 015 939
Amortisation of Intangible Assets	194 823	94 795
Loss (Gain on disposal of property, plant and equipment)	4 891 171	3 348 546
Adjustments to VAT	–	
Contribution to employee benefits	2 873 736	6 525 807
Contribution to provisions	916 043	(3 088 475)
Contributed Property, Plant and Equipment	–	–
Investment income	(10 789 908)	(8 746 970)
Interest paid	8 881 080	6 116 969
Operating surplus before working capital changes:	<u>43 343 616</u>	<u>32 565 780</u>
(Increase)/Decrease in inventories	446 575	(1 138 744)
(Increase)/decrease in debtors	(3 605 508)	(1 832 295)
(Increase)/decrease in other debtors	(267 659)	431 891
(Decrease)/increase in unspent conditional grants and receipts	(1 554 022)	(1 305 558)
Decrease/(increase) in unpaid conditional grants and receipts	(542 330)	(544 608)
Increase(decrease) in creditors	14 610 595	2 090 424
(Increase)/decrease in Taxes	2 479 259	(1 028 096)
Cash generated by/(utilised in) operations	<u>54 910 526</u>	<u>29 238 793</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
40 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following :		
Bank balances and cash	96 103 264	68 669 312
Bank overdraft	—	—
Total cash and cash equivalents	96 103 264	68 669 312

41 ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discussed with the Audit Committee the development, selection and disclosure of the Municipality's critical accounting policies and estimates and the application of these policies and estimates.

41.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of trade and other receivables

The impairment of the municipality's trade and other receivables is based on incurred losses in accordance with the provisions of IAS 39. The historical loss experience of the municipality, based on observable data through the passage of time, is used to estimate the impairment of trade and other receivables. Any changes in the payment status of customers in a specific group or national or local economic conditions that correlate with defaults on the assets in the group will have an impact on the impairment of trade and other receivables.

Provisions

The provisions raised by the municipality are detailed in note 6. These provisions represent management's best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Actual results may, however, differ from these estimates.

41.2 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE MUNICIPALITY'S ACCOUNTING POLICIES

Certain critical accounting judgements in applying the municipality's accounting policies are described below.

Revenue recognition

Accounting Policy clause 1.22 on Revenue from Exchange Transactions and Accounting Policy clause 1.22.1 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Classification as investment property

The Municipality has reviewed its property portfolio and determined which items of land and buildings are held to earn rental revenue or for capital appreciation. Land and buildings fulfilling these requirements have been classified as investment property, whilst the remainder of the portfolio have either been classified as property, plant and equipment or inventory depending on management's intention in dealing with these properties.

Depreciation and the carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

Determination of impairments of property, plant and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that an impairment exists. The municipality applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Determination of the recoverable amount of a cash-generating unit

Where impairment indicators exist, the determination of the recoverable amount of a cash generating unit requires management to make assumptions to determine the fair value less costs to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

41 ACCOUNTING ESTIMATES AND JUDGEMENTS

Determination of the recoverable serviced amount of non-cash-generating assets

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less costs to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating asset.

Finance and operating leases

In determining lease classification the municipality evaluated whether leases are clearly operating leases or finance leases. Based on qualitative factors it is concluded whether leases are finance or operating leases.

Post-retirement medical benefits

The assumptions used to calculate the municipality's obligation with regards to post-retirement medical benefits, ex gratia pension payments and long service awards as more fully described in note XX. Any changes to these assumptions will have an impact on the liability at the reporting date and the related expenses to be recognised in the Statement of Financial Performance.

	2009 R	2008 R
42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities - Note 5	47 581 548	33 184 163
Used to finance property, plant and equipment – at cost	47 581 548	33 184 163
Total	–	–
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
There were no fruitless- or wasteful expenditure during the year.		
“The financial statements for 2007 / 2008 were drawn up according to the GRAP standards but the budget were drawn up according to IMFO standrds. The depreciation of assets as applied according to GRAP standards resulted in the budget of certain functional areas being overspent by a total of R 4,748,062. The total operating expenditure for the 2007/2008 financial year of R197 857 276 is still below the total budget of R201 317 027 for the said period. The overspending on certain functional areas was approved by the Council on 26 November 2008.		
44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
44.1 Contributions to organized local government		
Opening balance	–	–
Council subscriptions	410 579	229 948
Amount paid - current year	(410 579)	(229 948)
Amount paid - previous years	–	–
Balance unpaid (included in creditors)	–	–
44.2 Audit fees		
Opening balance	–	–
Current year audit fee	1 322 671	1 243 510
Amount paid - current year	(1 322 671)	(1 243 510)
Amount paid - previous years	–	–
Balance unpaid (included in creditors)	–	–
44.3 Pension and Medical Aid Deductions		
Opening balance	–	–
Current year payroll deductions and Council Contributions	10 809 222	9 585 781
Amount paid - current year	(10 809 222)	(9 585 781)
Amount paid - previous years	–	–
Balance unpaid (included in creditors)	–	–

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)		
44.4 Councillor's arrear consumer accounts		
There were no Councillors who were in arrears for more than 90 days during the year.		
44.5 Non-Compliance with Chapter 11 of the Municipal Finance Management Act		
The following purchases were made during the year where Councillors or staff have an interest:		
Purchases from Berry Bright Trading & Investment/ Vinn Investments Nr 17, where the spouse of the former Municipal Manager has an interest		4 580
45 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	11 800 000	-
Infrastructure	11 800 000	-
Community	-	-
Other	-	-
This expenditure will be financed from:		
- External Loans	11 800 000	-
	11 800 000	-

46 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Provident Fund which is defined contribution funds. Some employees contribute to the South African Local Authorities Pension Fund which is a defined benefit fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 31 March 2005.

The following table reflects information on the defined benefit retirement, pension and provident funds to which councillors and employees belong, and in respect of which there is not sufficient information available to make more detailed disclosures.

The relevant law requires every fund to do an actuarial valuation at least every three years.

	Last Actuarial Valuation	Total Assets R'000	Total Liabilities R'000	Contributing Members
Cape Joint Pension Fund	June 2008	3 677 016	3 677 016	3
South African Local Authorities Pension Fund	June 2006	5 022 610	5 022 610	44
Cape Joint Retirement Fund	June 2008	6 906 092	6 906 092	444
SAMWU Provident Fund (*)	June 2005	873 969	873 969	154
Municipal Councillors Pension Fund	June 2006	737 970	737 970	14

NOTE (*): The results of the 30 June 2008 actuarial valuation of the SAMWU Provident Fund are not yet available.

An amount of R 8 563 936 (2007/8 = R 7 456 1343) was contributed by Council in respect of Councillors' and employees' retirement funding. These contributions have been expensed.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
47 FINANCIAL INSTRUMENTS		
47.1 Classification of Financial Instruments		
FINANCIAL ASSETS:		
In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):		
Financial Assets	121 997 126	82 805 680
Held to maturity	92 150 960	51 087 405
Investments	4 685	4 482
Listed Investments	4 685	4 482
Short-term Investment Deposits	92 146 276	51 082 923
Fixed Deposits	92 146 276	51 082 923
Loans and receivables	29 846 166	31 718 275
Long-term Receivables	13 320 521	5 114 232
Staff Car Loans - At amortised cost	–	66 523
Provincial Government Housing Loans	2 924 766	3 275 532
Provincial Government Library Services	–	–
Staff Study loans - At amortised cost	115 644	70 326
Services connections - At amortised cost	474 581	529 876
Land Sales - At amortised cost	193 343	685 496
Agreements	9 612 187	486 478
Other Receivables from Non-Exchange transactions	2 510 927	2 243 267
Assessment Rates	1 544 030	1 615 397
Availability Charges	319 635	225 714
Other Debtors	647 263	402 156
Trade Receivables from Exchange transactions	12 600 103	8 994 596
Water	1 871 426	1 244 278
Electricity	7 747 962	4 140 686
Housing Rentals	45 500	136 195
Refuse	1 046 915	840 085
Sanitation	1 344 040	918 206
Other Arrears	544 261	1 715 146
Current Portion of Long-term Receivables	(2 542 374)	(2 220 209)
Current Portion of Long-term Receivables	(2 542 374)	(2 220 209)
VAT Receivable	–	–
VAT Control Accounts	–	–
Cash and cash equivalents	3 956 989	17 586 389
Bank Balances	3 949 482	17 579 162
Cash Floats and Advances	7 507	7 227

CHAPTER FOUR

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
47 FINANCIAL INSTRUMENTS (continued)		
47.1 Classification of Financial Instruments <i>continued</i>		
FINANCIAL LIABILITIES:		
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:		
Other Financial Liabilities	47 581 548	31 522 364
Long-term Liabilities	45 831 978	29 885 136
Annuity Loans	45 521 793	29 829 376
Other Loans	310 185	55 759
Current Portion of Long-term Liabilities	1 749 570	1 637 228
Annuity Loans	1 570 939	1 605 413
Other Loans	178 631	31 816
Non-current Provisions	3 342 318	3 600 540
Rehabilitation of Land-fill Sites	3 342 318	3 600 540
Employee Benefits	11 743 045	10 435 765
Bonus	2 266 609	1 951 325
Performance Bonus	338 849	336 350
Accumulated leave	5 503 602	4 705 086
Long Service Awards	3 633 984	3 443 004
Provisions	–	–
Current Portion of Rehabilitation of Land-fill Sites	–	–
Consumer Deposits	4 598 639	4 336 523
Electricity and Water	4 598 639	4 336 523
Creditors	30 020 400	12 930 546
Trade payables	22 553 959	9 308 550
Payments received in advance	2 387 735	759 791
Insurance Claims	430 707	–
Suspense	235 502	49 184
Retentions and Guarantees	166 747	687 862
Deposits: Other	1 498 457	1 857 125
Taxes	2 747 293	268 034

47.2 Fair Value of Financial Instruments

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- the Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- the Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- the Fair Value of Derivative Instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the Fair Value of Financial Guarantee Contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

47 FINANCIAL INSTRUMENTS (continued)

47.2 Fair Value of Financial Instruments *continued*

Quoted Prices

Financial Assets in this category include Listed Redeemable Notes, Bills of Exchange and Debentures. Financial Liabilities include Bills of Exchange and Perpetual Notes.

In accordance with IAS 39.09 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

	30 June 2009		30 June 2008	
	Carrying Value R	Fair Value R	Carrying Value R	Fair Value R
FINANCIAL ASSETS				
Held to maturity:	92 150 960	92 150 960	51 087 405	51 087 405
Listed Investments	4 685	4 685	4 482	4 482
Fixed Deposits	92 146 276	92 146 276	51 082 923	51 082 923
Loans and Receivables	66 649 567	66 649 567	60 346 616	60 346 616
Long-term Receivables	45 831 978	45 831 978	29 885 136	29 885 136
Trade Receivables from Exchange transactions	12 600 103	12 600 103	8 994 596	8 994 596
Other Receivables from Non-Exchange transactions	2 510 927	2 510 927	2 243 267	2 243 267
Current Portion of Long-term Receivables	1 749 570	1 749 570	1 637 228	1 637 228
Cash and cash equivalents	3 956 989	3 956 989	17 586 389	17 586 389
VAT Receivable	–	–	–	–
Total Financial Assets	158 800 527	158 800 527	111 434 021	111 434 021
FINANCIAL LIABILITIES				
Other Financial Liabilities	97 285 949	97 285 949	62 825 738	62 825 738
Creditors	30 020 400	30 020 400	12 930 546	12 930 546
Consumer Deposits	4 598 639	4 598 639	4 336 523	4 336 523
Non-current Provisions	3 342 318	3 342 318	3 600 540	3 600 540
Provisions	–	–	–	–
Employee Benefits	11 743 045	11 743 045	10 435 765	10 435 765
Long-term Liabilities	45 831 978	45 831 978	29 885 136	29 885 136
Current Portion of Long-term Liabilities	1 749 570	1 749 570	1 637 228	1 637 228
Total Financial Liabilities	97 285 949	97 285 949	62 825 738	62 825 738
Total Financial Instruments	61 514 577	61 514 577	48 608 283	48 608 283

47.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 23, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Notes 1 and 2 and the Statement of Changes in Net Assets.

CHAPTER FOUR

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
47 FINANCIAL INSTRUMENTS (continued)		
47.3 Capital Risk Management <i>continued</i>		
Gearing Ratio		
The gearing ratio at the year-end was as follows:		
Debt	47 581 548	31 522 364
Net Assets	373 829 967	358 045 649
Debt to Net Assets ratio	12,73%	8,80%

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 5.

Net Assets includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

47.4 Financial Risk Management Objectives

The municipality's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The municipality seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and in the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the municipality's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

47.5 Significant Accounting Policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

47.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. Potential concentrations of credit risk and interest rate risk consists mainly of fixed deposit investments, long term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

47.7 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction limits per financial institution.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance account.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is deemed most appropriate under the circumstances.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

47 FINANCIAL INSTRUMENTS (continued)

47.8 Effective Interest Rates and Repricing Analysis

In accordance with IAS 32.67(a) and (b) refer to Appendix A for the indication of the average effective interest rates of Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice. The following indicates the income-earning Financial Assets:

30 June 2009 Description	Note ref in AFS	Average effective Interest Rate %	Total R	6 Months or less R	6 - 12 Months R	1 - 2 Years R	2 - 5 Years	More than 5 Years R
FIXED RATE INSTRUMENTS								
Held-to-maturity Investments	19		4 685					4 685
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	24	8 – 12	92 146 276	92 146 276				
Bank Balances and Cash	24	8 – 12	3 956 989	3 956 989				
Total Variable Rate Instruments			96 103 264	96 103 264	–	–	–	–
30 June 2008								
FIXED RATE INSTRUMENTS								
Held-to-maturity Investments	19		4 482					4 482
VARIABLE RATE INSTRUMENTS								
Short-term Investment Deposits	24	8 – 12	51 082 923	51 082 923				
Bank Balances and Cash	24	8 – 12	17 586 389	17 586 389				
Total Variable Rate Instruments			68 669 312	68 669 312	–	–	–	–

47.9 Other Price Risks

The municipality is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The municipality does not actively trade these investments.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

47 FINANCIAL INSTRUMENTS (continued)

47.10 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

30 June 2009 Description	Note ref in AFS	Average effective Interest Rate	Carry amount	Contractual cash flows R	6 Months or less R	6 - 12 Months R	1 - 2 Years R	2 - 5 Years R	More than 5 Years R
DBSA	5	10,00%	170 407	34 430	8 695	9 130	19 651	71 887	61 044
DBSA	5	12,00%	25 560	6 098	1 515	1 606	3 507	13 343	5 589
DBSA	5	15,00%	661 289	136 264	18 535	19 925	44 446	179 313	399 069
DBSA	5	14,00%	391 731	77 886	11 522	12 328	27 306	108 034	232 540
DBSA	5	16,00%	1 507 581	307 101	32 944	35 579	79 926	328 796	1 030 336
DBSA	5	16,50%	513 093	111 402	13 371	14 474	32 629	135 540	317 079
DBSA	5	15,75%	4 367 260	923 925	118 041	127 337	285 546	1 168 965	2 667 371
DBSA	5	13,22%	46 786	13 083	3 449	3 677	8 100	31 560	-
DBSA	5	13,30%	247 555	102 752	34 914	37 236	82 064	93 342	-
DBSA	5	13,75%	494 572	140 019	36 008	38 483	85 086	334 995	-
DBSA	5	16,15%	144 387	87 332	32 007	34 592	77 788	-	-
DBSA	5	16,15%	6 147	3 718	1 363	1 473	3 312	-	-
DBSA	5	16,50%	3 526 033	731 683	74 944	81 126	182 884	759 696	2 427 383
DBSA	5	14,22%	1 265 679	230 951	25 479	27 291	60 541	240 562	911 806
DBSA	5	14,22%	1 625 769	309 563	39 181	41 967	93 099	369 932	1 081 589
DBSA	5	14,39%	534 859	107 849	15 439	16 549	36 757	146 541	319 573
DBSA	5	13,92%	2 434 089	438 671	49 911	53 385	118 176	466 832	1 745 786
DBSA	5	13,92%	986 384	158 348	10 517	11 249	24 901	98 366	841 351
DBSA	5	13,92%	95 000	101 612	95 000	-	-	-	-
C B R	5		37 686	-	-	-	-	-	37 686
Pensionfund	5	15,10%	324 919	76 775	13 856	14 902	33 265	134 467	128 428
ABSA Bank	5	15,25%	16 887	7 223	2 324	2 501	5 589	6 473	-
DBSA	5	13,01%	27 675 417	4 016 667	207 633	221 142	486 387	1 887 580	24 872 675
Finance Leases	5	12,00%	488 816	232 086	86 714	91 917	200 710	109 475	-
30 June 2008									
Description									
DBSA	5	10,00%	182 533	33 685	7 716	8 101	17 438	63 791	85 486
DBSA	5	12,00%	27 443	5 069	888	941	2 055	7 820	15 739
DBSA	5	15,00%	694 627	136 275	16 040	17 244	38 464	155 178	467 701
DBSA	5	14,00%	410 710	77 536	10 018	10 720	23 743	93 938	272 291
DBSA	5	16,00%	1 566 474	307 129	28 247	30 507	68 530	281 915	1 157 276
DBSA	5	16,50%	534 580	110 930	11 362	12 300	27 727	115 177	368 015
DBSA	5	15,75%	4 558 364	919 938	100 998	108 952	244 319	1 000 188	3 103 908
DBSA	5	13,29%	18 354	20 203	8 882	9 472	-	-	-
DBSA	5	13,22%	53 060	13 084	3 035	3 236	7 127	27 770	11 893
DBSA	5	13,30%	300 109	99 158	29 622	31 592	69 626	169 270	-
DBSA	5	13,75%	559 827	140 029	31 526	33 694	74 496	293 303	126 807
DBSA	5	16,15%	201 405	87 332	27 403	29 616	66 598	77 788	-
DBSA	5	16,15%	8 574	3 718	1 167	1 261	2 835	3 312	-
DBSA	5	16,50%	3 647 053	729 250	63 743	69 002	155 551	646 156	2 712 601
DBSA	5	14,22%	1 380 742	243 111	23 378	25 040	55 548	220 724	1 056 052
DBSA	5	14,22%	1 780 605	324 910	35 845	38 394	85 171	338 432	1 282 763
DBSA	5	14,39%	581 370	111 428	13 881	14 880	33 050	131 760	387 799
DBSA	5	13,92%	2 645 750	459 762	45 724	48 906	108 262	427 669	2 015 188
DBSA	5	13,92%	1 050 367	165 429	9 604	10 272	22 739	89 825	917 928
DBSA	5	13,92%	285 000	217 043	88 684	94 857	101 459	-	-
C B R	5		37 686	-	-	-	-	-	37 686
Pensionfund	5	15,10%	324 920	111 158	31 048	33 392	74 537	185 944	-
ABSA Bank	5	15,25%	20 300	6 965	1 934	2 082	4 652	11 631	-
DBSA	5	13,01%	10 564 934	1 512 680	68 933	73 418	161 477	626 663	9 634 443
Finance Leases	5	12,00%	87 575	65 525	27 508	29 159	30 908	-	-

All other financial liabilities are due and payable in less than 12 months.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

47 FINANCIAL INSTRUMENTS (CONTINUED)

47.11 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the municipality uses other publicly available financial information and its own trading records to rate its major customers. The municipality's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Potential concentrations of credit rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/ exposure limits, which are included in the municipality's Investment Policy.

Trade receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, consumer deposits are adjusted.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are collectively evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discount, where applicable.

The following table represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	2009 R	2008 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Fixed Deposit Investments	4 685	4 482
Long-term Receivables	17 645 873	12 758 836
Trade Receivables from Exchange transactions	21 008 136	22 439 453
Other Receivables from Non-Exchange transactions	6 873 612	5 596 438
Fixed Term Investment Deposits	92 146 276	51 082 923
Bank and Cash Balances	3 956 989	17 586 389
Maximum Credit and Interest Risk Exposure	141 635 569	109 468 521

48 EVENTS AFTER THE REPORTING DATE

During the period 11 to 13 November 2008 the Breede River Winelands Municipality experienced persistent rain.

The following estimated damage occurred:

Roads & Bridges	3 750 000
Storm water	5 000
Sewerage networks and treatment plants	480 000
Water networks and treatment plants	480 000
Environmental Services	605 200
Electricity	646 005
Libraries	2 000
Swimming Pools	43 000
Total Damage	6 011 205

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

49 CONTINGENT LIABILITY

None

50 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

51 EXEMPTIONS TAKEN ACCORDING TO THE EXEMPTIONS GAZETTED IN TERMS OF GOVERNMENT NOTICE NO. 30013 OF 29 JUNE 2007 AND SPECIFICALLY PARAGRAPH 3(2)B OF THE NOTICE

- Financial Instruments: Recognition and Measurement (AC133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]
- Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.
- Segment Reporting (AC115) Entire Standard
- Operating Segments (AC146) Entire Standard
- Construction Contracts (AC109) Entire Standard
- Business Combinations (AC140) Entire Standard
- Accounting for Government Grants and Disclosure of Government Assistance (AC134) Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

52 PROCESS TO COMPLY FULLY WITH THE IMPLEMENTATION OF GENERAL RECOGNISED ACCOUNTING PRACTICES (GRAP).

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2010. The municipality, however, took advantage of transitional provisions and implement GRAP at an earlier date in order to ensure more reliable financial reporting. The implementation plan for full compliance with the requirements of GRAP is listed in Appendix "G".

53 DEVIATIONS IN TERMS OF PARAGRAPH 36 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS

In terms of paragraph 36 of the Supply Chain Management Regulations the Accounting Officer may –

- (a) Dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) In the event of an emergency, one written quotation is to be obtained;
 - (ii) If the required goods or services are available from a sole provider only, one written quotation is to be obtained. Documentary proof must be provided that the service provider is actually a sole provider;
 - (iii) In respect of repairs to motor vehicles, machinery and equipment that need to be stripped to quote, only one written quotation is to be obtained;
 - (iv) For the acquisition of special works of art or historical objects where specifications are difficult to compile; or
 - (v) Acquisition of animals for game reserves.
 - (vi) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
- (b) Ratify any minor breaches of the procurement processes by official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.

The Accounting Officer must record the reasons for any deviations in terms of subparagraph (a) and (b) of this Policy and report them to the next meeting of the Council and include as a note to the annual financial statements.

The following number deviations were approved by the accounting officer:

	2009
Emergency	219
Sole provider	110
Stripped to quote	138
Acquisition of special works of art or historical objects	-
Acquisition of animals for game reserves.	-
Impractical or impossible	124
Ratify any minor breaches	-
Total Deviations	591

Detailed lists of these deviations have been submitted to Council and is available at the municipal offices for inspection.

The supply chain unit was only established during the 2007/2008 and 2008/2009 financial years. A software program was also implemented for the administration and reporting of procedures. Statistics for the 2007/2008 financial year are unfortunately not available.

CHAPTER FOUR

APPENDIX A – SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Redeemable	Balance at 30/06/08 R	Received during the period R	Redeemed written off during the period R	Adjustments R	Balance at 30/06/09 R	Cost Value of Property, Plant & Equip R
ANNUITY LOAN								
Development Bank of S A	14,2%	2000-2019	57 119		5 051		52 068	100 000
Development Bank of S A	16,5%	1999-2018	35 271		1 098		34 174	40 000
Development Bank of S A	14,2%	2000-2019	342 713		30 305		312 409	600 000
Development Bank of S A	14,2%	2000-2019	242 755		21 466		221 289	425 000
C B R		08/93-07/17	37 686		-		37 686	63 360
Development Bank of S A	16,5%	1999-2018	98 121		7 903		90 218	288 000
Development Bank of S A	13,9%		1 265		843		422	4 216
Development Bank of S A	13,9%		27 369		18 246		9 123	91 230
Development Bank of S A	14,4%	1999-2018	93 194		7 529		85 665	150 000
Development Bank of S A	14,2%	2000-2019	89 332		7 576		81 756	150 000
Development Bank of S A	14,4%	2001-2020	114 939		9 285		105 654	185 000
Development Bank of S A	16,5%	1999-2018	138 440		4 308		134 132	157 000
Development Bank of S A	14,4%	2001-2020	186 387		15 057		171 331	300 000
Development Bank of S A	14,2%	2000-2019	57 119		5 051		52 068	100 000
Development Bank of S A	14,2%	2000-2019	153 651		13 031		140 620	258 000
Development Bank of S A	14,2%	2000-2019	287 054		24 345		262 709	482 000
Development Bank of S A	14,0%	1998-2018	410 710		18 979		391 731	499 999
Development Bank of S A	14,2%	2000-2019	74 443		6 314		68 130	125 000
Development Bank of S A	14,4%	06/03-06/08	25 314		1 590		23 724	31 672
Development Bank of S A	10,0%	1996/2016	51 298		3 408	(10 575)	37 316	60 000
Development Bank of S A	10,0%	1996/2016	19 236		1 278		17 958	22 500
Development Bank of S A	16,0%	1999-2019	118 055		4 546		113 509	136 090
Development Bank of S A	15,8%	1999-2018	1 726 563		72 078		1 654 485	2 175 459
Development Bank of S A	14,2%	2000-2019	59 555		5 051		54 504	100 000
Development Bank of S A	13,9%		15 584		10 390		5 195	51 948
Cape Joint Pension Fund	15,1%	1982-12/12	324 920		-		324 920	324 920
Unibank	15,3%	1983-12/12	20 300		3 413	(89)	16 798	41 262
Development Bank of S A	15,0%	1998-2018	694 627		33 338		661 290	850 000
Development Bank of S A	13,3%	1983-2012	300 109		52 554		247 555	668 355
Development Bank of S A	13,8%	1984-2014	559 827		65 256		494 572	1 000 000
Development Bank of S A	16,0%	1999-2019	1 023 777		37 375		986 402	1 172 085
Development Bank of S A	16,5%	2000-2019	1 227 592		40 735		1 186 857	1 724 100
Development Bank of S A	15,8%	1999-2018	1 726 563		72 078		1 654 485	2 175 459
Development Bank of S A	13,9%		246 301		15 480		230 821	300 000
Development Bank of S A	13,9%		105 000		70 000		35 000	350 000
Development Bank of S A	13,0%	31/03/2027	5 914 181		586 261		5 327 920	5 914 181
Development Bank of S A	13,0%	31/03/2027	2 475 732	3 500 478	337 532	482	5 639 160	2 475 732
Development Bank of S A	13,0%	31/03/2027	2 175 021	2 781 516	288 803		4 667 733	2 175 021
Development Bank of S A	13,0%	31/03/2027		6 524 452	171 696		6 352 756	6 524 452
Development Bank of S A	16,5%	1999-2018	262 748		8 178		254 570	298 000
Development Bank of S A	14,2%	2000-2019	59 555		5 051		54 504	100 000
Development Bank of S A	14,4%	2001-2020	86 981		7 027		79 954	140 000
Subtotal carried forward			21 666 409	12 806 446	2 089 502	(10 181)	32 373 172	32 830 040

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APPENDIX A – SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Redeemable	Balance at 30/06/08 R	Received during the period R	Redeemed written off during the period R	Adjustments R	Balance at 30/06/09 R	Cost Value of Property, Plant & Equip R
Subtotal brought forward			21 666 409	12 806 446	2 089 502	(10 181)	32 373 172	32 830 040
Development Bank of S A	14,4%	2001-2020	74 555		6 023		68 532	120 000
Development Bank of S A	13,9%		18 331		12 221		6 110	61 104
Development Bank of S A	13,9%		31 201		20 800		10 400	104 002
Development Bank of S A	14,2%	2000-2019	288 765		25 534		263 230	505 550
Development Bank of S A	14,2%	2000-2019	68 543		6 061		62 482	120 000
Development Bank of S A	16,2%	1991-2011	8 574		2 427		6 147	22 000
Development Bank of S A	12,0%	1995-2015	27 443		1 882	(1 530)	24 031	37 436
Development Bank of S A	16,0%	1999-2019	60 688		2 959		57 729	72 433
Development Bank of S A	16,0%	1999-2019	363 954		14 014		349 940	419 561
Development Bank of S A	15,8%	1999-2018	1 105 238		46 948		1 058 290	1 417 000
Development Bank of S A	13,3%	1994-2009	18 354		18 354		-	130 000
Development Bank of S A	13,9%		29 441		19 627		9 814	98 135
Development Bank of S A	13,9%		29 441		19 627		9 814	98 135
Development Bank of S A	13,9%	2001-2020	2 645 750		211 660		2 434 090	4 500 000
Development Bank of S A	16,5%	2000-2019	2 419 461		80 285		2 339 177	3 398 029
Development Bank of S A	14,2%	2000-2020	1 380 742		115 062		1 265 680	2 301 237
Development Bank of S A	16,2%	1991-2011	201 405		57 018		144 387	501 769
Development Bank of S A	0,1%	1996-2016	111 999		7 440		104 559	131 000
Development Bank of S A	13,2%	1994-2014	53 060		6 274		46 786	91 364
Development Bank of S A	13,9%		205 251		12 900	5 346	197 697	250 000
Development Bank of S A	13,9%		598 816		35 603		563 212	690 000
Development Bank of S A	13,9%		27 369		18 246		9 123	91 230
Development Bank of S A	13,0%	31/03/2027		1 422 412	37 432		1 384 980	1 422 412
Development Bank of S A	13,0%	31/03/2027		2 528 345	66 535		2 461 810	2 528 345
Development Bank of S A	13,0%	31/03/2027		192 500	5 066		187 434	192 500
Development Bank of S A	13,0%	31/03/2027		1 698 811	44 706		1 654 106	1 698 811
Total annuity loans			31 434 789	18 648 515	2 984 206	(6 365)	47 092 732	53 832 094
LEASE LIABILITY								
Finance Leases	± 12.0%	2009	87 575	559 211	157 970		488 816	1 422 100
Total Lease Liabilities			87 575	559 211	157 970		488 816	1 422 100
TOTAL EXTERNAL LOANS			31 522 364	19 207 725	3 142 176		47 581 548	55 254 194

CHAPTER FOUR

APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Opening Balance	Cost/Revaluation			Closing Balance	Accumulated Depreciation				Closing Balance	Carrying Value
		Additions	Under Construction	Disposals		Opening Balance	Additions	Disposals income			
Land and Buildings											
Erven	15 957 000	86 700	–	966 000	15 077 700	–	–	–	–	15 077 700	
Erven & houses	88 972 200	–	–	8 072 000	80 900 200	44 043 838	2 736 776	4 148 826	42 631 788	38 268 412	
Housing projects	11 094 990	4 716 067	–	–	15 811 057	248 505	369 833	–	618 338	15 192 719	
Wendy Huise	–	90 614	–	–	90 614	–	10 539	–	10 539	80 075	
	116 024 190	4 893 381	–	9 038 000	111 879 571	44 292 343	3 117 149	4 148 826	43 260 665	68 618 906	
Infrastructure											
Sub stations	29 550 457	7 733 286	–	–	37 283 744	9 893 131	981 893	–	10 875 024	26 408 720	
Transformer											
buildings	76 202	–	–	–	76 202	27 790	2 540	–	30 330	45 872	
Lasbeheer toerusting	1 361 368	–	–	–	1 361 368	602 068	68 068	–	670 136	691 232	
Switchgear	1 109 498	–	–	–	1 109 498	142 034	53 785	–	195 819	913 679	
Electricity Meters	1 888 190	496 979	–	–	2 385 169	77 661	94 410	–	172 071	2 213 098	
Networks	27 787 026	2 016 941	–	–	29 803 968	8 846 286	1 374 087	–	10 220 373	19 583 595	
Water Provision	–	418 426	–	–	418 426	–	1 425	–	1 425	417 001	
Meters	–	–	–	–	–	–	–	–	–	–	
Hoofnetwerke	51 586 037	1 783 004	–	–	53 369 040	14 217 323	2 537 120	–	16 754 443	36 614 597	
Landfill sites	3 477 091	–	–	–	3 477 091	1 356 234	691 245	–	2 047 478	1 429 612	
Randstene	302 000	–	–	–	302 000	159 677	15 092	–	174 769	127 231	
Reservoirs, damme & tenke	6 717 091	5 659 394	–	–	12 376 485	2 707 481	364 712	–	3 072 194	9 304 292	
Sanitasie	1 041 878	–	–	–	1 041 878	260 612	52 094	–	312 706	729 172	
Suiwering	5 989 194	686 213	–	–	6 675 407	2 838 114	289 321	–	3 127 435	3 547 972	
Waterpompe	75 457	236 157	–	–	311 614	4 235	16 502	–	20 737	290 877	
Hoofpaaie	1 795 895	–	–	–	1 795 895	656 648	119 608	–	776 256	1 019 639	
Strate	15 459 367	4 939 240	–	–	20 398 606	4 694 447	1 436 107	–	6 130 555	14 268 052	
Bridges	–	824 905	–	–	824 905	–	1 020	–	1 020	823 885	
Straatligte	346 074	344 371	–	–	690 444	47 737	14 961	–	62 698	627 747	
Stormwaternetwerke	5 045 739	970 374	–	–	6 016 112	883 050	252 287	–	1 135 337	4 880 776	
Parkeerterreine	986 155	1 507 384	–	–	2 493 539	293 454	56 280	–	349 733	2 143 806	
Sypaadjes	5 167 604	59 729	–	–	5 227 332	812 485	255 880	–	1 068 365	4 158 967	
Padtekens/											
Inligtingsbord	109 409	–	–	–	109 409	14 567	7 679	–	22 246	87 163	
Rioolnetwerk	15 790 809	1 723 398	–	–	17 514 207	3 584 335	747 240	–	4 331 575	13 182 632	
Uitvalwerke	108 868	–	–	–	108 868	10 902	5 443	–	16 345	92 523	
Suiweringswerke	33 498 774	465 809	–	–	33 964 583	3 907 165	1 677 024	–	5 584 189	28 380 394	
Rioolpompe	134 056	43 147	–	–	177 202	38 346	12 974	–	51 319	125 883	
	209 404 239	29 908 756	–	–	239 312 996	56 075 783	11 128 796	–	67 204 578	172 108 417	

CHAPTER FOUR

APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Opening Balance	Cost Under Additions Construction	Disposals	Closing Balance	Opening Balance	Accumulated Depreciation Additions	Disposals income	Closing Balance	Carrying Value	
Community Assets										
Bewaarskole	2 202 895	–	–	–	2 202 895	615 189	70 130	–	685 319	1 517 576
Gemeenskapsale	8 861 843	161 901	–	–	9 023 744	3 013 120	195 324	–	3 208 443	5 815 301
Klinieke	5 859 337	–	–	–	5 859 337	2 159 880	191 145	–	2 351 025	3 508 312
Biblioteke	3 623 421	52 255	–	–	3 675 676	1 360 503	104 912	–	1 465 414	2 210 261
Begraafplase	1 117 361	28 000	–	–	1 145 361	185 937	34 347	–	220 284	925 077
Brandweerstasies	761 145	–	–	–	761 145	35 759	25 371	–	61 131	700 014
Craft Stalls	299 000	72 136	–	–	371 136	88 395	9 923	–	98 318	272 818
Museums	1 167 000	–	–	–	1 167 000	280 900	26 900	–	307 800	859 200
Sportterreine	10 500 625	910 425	–	–	11 411 050	2 961 164	313 291	–	3 274 454	8 136 595
Parke	10 170 236	730 131	–	–	10 900 367	289 960	62 073	–	352 033	10 548 333
Wandelpaai	1 007 883	7 000	–	–	1 014 883	139 432	50 405	–	189 836	825 046
Swembaddens	3 190 442	43 769	–	–	3 234 211	1 555 889	162 082	–	1 717 971	1 516 240
Vakansie-orde & kampeerterreie	832 066	–	–	–	832 066	394 059	2 803	–	396 862	435 204
Tennisbane	136 418	–	–	–	136 418	75 786	6 821	–	82 607	53 811
Golfbane/Muurbal	215 000	–	–	–	215 000	76 782	10 750	–	87 532	127 468
Geboue	691 000	–	–	–	691 000	–	–	–	–	691 000
Meent	23 531 077	96 000	–	–	23 627 077	73 932	5 209	–	79 141	23 547 937
Ouetehuis	312 000	–	–	–	312 000	97 777	10 167	–	107 943	204 057
Ruimtelike										
Onwikkelingsraamwerk	548 959	–	–	–	548 959	142 931	18 299	–	161 230	387 729
	75 027 707	2 101 616	–	–	77 129 323	13 547 393	1 299 950	–	14 847 343	62 281 979
Leased Assets										
Office Equipment (Lease)	226 600	559 211	–	–	785 811	145 098	198 610	–	343 708	442 103
	226 600	559 211	–	–	785 811	145 098	198 610	–	343 708	442 103

CHAPTER FOUR

APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

		Cost				Accumulated Depreciation				
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	Carrying Value
Other Assets										
Master Planning	1 020 974	–	–	–	1 020 974	55 965	51 049	–	107 014	913 961
Rekenaartoerusting	2 378 784	465 106	–	14 191	2 829 699	1 413 642	341 174	7 786	1 747 030	1 082 668
Drukkers	491 084	32 189	–	–	523 273	337 665	59 200	–	396 865	126 408
LAN / WAN										
Toerusting	312 403	18 652	–	5 162	325 892	164 214	37 660	2 311	199 563	126 329
UPS	291 872	1 030	–	–	292 902	228 346	27 226	–	255 573	37 329
Kantoormasjiene	98 039	21 088	–	–	119 127	75 049	7 642	–	82 690	36 436
Kitchen Equipment	–	16 527	–	–	16 527	–	1 042	–	1 042	15 484
Lugreëlaars	155 371	50 865	–	–	206 236	32 785	33 912	–	66 697	139 539
Digitale Kameras	18 456	2 763	–	–	21 219	12 408	3 009	–	15 417	5 802
Tafels / Lessenare /										
Laaie	337 466	110 784	–	1 985	446 265	173 060	65 257	1 735	236 583	209 682
Stoele / Banke /										
Toonbanke	348 064	100 816	–	–	448 880	151 026	71 765	–	222 792	226 089
Kabinette / Kaste /										
Rakke	419 442	54 349	–	–	473 790	248 136	65 305	–	313 441	160 349
Boekrakk /										
Boektrollies	9 421	–	–	–	9 421	5 349	1 387	–	6 736	2 684
Beddens /										
Beddegoed	17 043	–	–	–	17 043	5 507	3 409	–	8 916	8 128
Elektriese toestelle	146 255	375 718	–	3 062	518 912	77 979	49 028	2 382	124 625	394 287
Allerlei	61 198	54 716	–	–	115 914	22 476	13 469	–	35 945	79 969
Portrette/Skilderye	2 085	–	–	–	2 085	294	417	–	711	1 374
Gordyne / Blindings	113 013	–	–	–	113 013	1 251	11 408	–	12 659	100 354
Kantoorafskortings	4 583	–	–	–	4 583	367	917	–	1 283	3 300
Teken- / Swartborde	3 113	–	–	–	3 113	1 448	405	–	1 854	1 259
Vertoon- en										
Witborde	27 915	4 563	–	301	32 178	5 634	3 436	91	8 978	23 199
Emergency										
Equipment	284 755	39 300	–	–	324 055	63 397	59 220	–	122 617	201 439
Motors	984 132	218 509	–	–	1 202 640	788 569	96 908	–	885 477	317 164
Bakkies / Kappies	4 802 489	–	–	15 000	4 787 489	2 646 714	548 364	15 000	3 180 078	1 607 410
Ander										
passasiersvoertuie	256 070	–	–	–	256 070	32 374	45 614	–	77 988	178 082
Vragmotors	7 909 475	–	–	–	7 909 475	3 323 743	756 871	–	4 080 614	3 828 861
Brandweervoertuie	5 073 618	–	–	–	5 073 618	604 674	428 612	–	1 033 286	4 040 332
Co-Driver Units	–	18 649	–	–	18 649	–	2 647	–	2 647	16 002
Tenk op Voertuig	128 603	–	–	–	128 603	39 391	12 860	–	52 252	76 351
Kragopwekkers	459 442	2 570	–	–	462 012	49 324	62 932	–	112 256	349 756
Trekkers	1 700 418	–	–	–	1 700 418	767 440	152 331	–	919 772	780 646
Waens	731 280	–	–	–	731 280	256 208	48 505	–	304 712	426 568
Kompakteerders	1 902 157	21 872	–	–	1 924 029	469 905	189 056	–	658 961	1 265 068
Rollers	41 167	–	–	–	41 167	29 372	2 987	–	32 359	8 808
Subtotal carried forward	30 530 186	1 610 065	–	39 701	32 100 551	12 083 711	3 255 026	29 305	15 309 432	16 791 119

CHAPTER FOUR

APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Opening Balance	Additions	Cost Under Construction	Disposals	Closing Balance	Opening Balance	Accumulated Depreciation Additions	Disposals income	Closing Balance	Carrying Value
Other Assets										
Continued										
Subtotal brought forward	30 530 186	1 610 065	–	39 701	32 100 551	12 083 711	3 255 026	29 305	15 309 432	16 791 119
Sementmengers	78 306	–	–	–	78 306	32 025	9 171	–	41 196	37 110
Grassnyers/ Bossieslaners	413 325	37 942	–	2 500	448 767	199 622	63 099	2 500	260 221	188 546
Plaas masjienerie / implemente	204 990	–	–	–	204 990	204 990	–	–	204 990	–
Algemene Gereedskap	79 759	–	–	–	79 759	76 830	628	–	77 458	2 301
Bank-/Hoekslypers	9 208	959	–	–	10 167	8 103	566	–	8 670	1 498
Bore	25 740	23 228	–	–	48 967	20 303	1 949	–	22 251	26 716
Algemene Toerusting	73 197	27 455	–	–	100 652	51 509	11 698	–	63 207	37 444
Riool Toerusting	6 660	17 576	–	–	24 237	1 420	2 167	–	3 587	20 649
Kompressors	193 378	–	–	–	193 378	155 971	9 065	–	165 035	28 343
Fire Arms	3 000	–	–	–	3 000	3 000	–	–	3 000	–
Laaigrawe	1 413 080	1 447 368	–	–	2 860 448	838 872	110 711	–	949 583	1 910 866
Ingenieurstoerusting Workshop	366 736	607 339	–	3 143	970 933	206 069	47 335	1 993	251 411	719 522
Equipment	29 797	–	–	–	29 797	19 978	2 980	–	22 957	6 839
Besproeiingspype/ Spreiers	18 824	–	–	–	18 824	18 824	–	–	18 824	–
Kettingsae	21 952	19 508	–	7 206	34 253	16 437	3 259	55	19 641	14 613
LERE	120 225	3 160	–	–	123 386	109 120	4 344	–	113 464	9 922
SWEISMASJIENE Elekttriese	5 548	–	–	–	5 548	5 548	–	–	5 548	–
Ingenieurstoerustin	324 833	257 353	–	–	582 186	166 271	63 779	–	230 051	352 135
Verkeerstoeusting	429 474	–	–	–	429 474	314 801	43 423	–	358 223	71 250
Vullisverwydering- toerusting	466 309	–	–	–	466 309	15 220	46 631	–	61 851	404 458
2 RIGTING										
RADIO'S	324 604	19 196	–	2 096	341 703	107 047	56 262	2 096	161 213	180 490
Cellphone	180 803	6 299	–	16 575	170 527	110 696	31 504	11 891	130 308	40 219
Alarms	26 663	–	–	–	26 663	19 195	2 034	–	21 228	5 434
Radio Communication	456 877	–	–	–	456 877	100 222	91 375	–	191 597	265 280
Buildings / Lean-to / Fencing	24 103 570	629 213	–	–	24 732 783	11 474 473	671 083	–	12 145 556	12 587 227
Workshop	2 721	–	–	–	2 721	817	91	–	908	1 814
Stores	3 548 907	–	–	–	3 548 907	753 755	37 630	–	791 386	2 757 522
Landfill sites	3 085 315	3 549 932	–	–	6 635 247	741 426	154 821	–	896 247	5 739 000
Traffic buildings	1 491 291	491 811	–	–	1 983 101	1 296 000	7 000	–	1 303 000	680 101
Public Toilets	861 000	–	–	–	861 000	237 492	23 233	–	260 726	600 274
Farms	9 329 000	–	–	–	9 329 000	59 723	47 700	–	107 423	9 221 577
Informal Housing	935 651	6 160	–	–	941 811	46 911	46 783	–	93 693	848 118
	79 160 928	8 754 564	–	71 221	87 844 271	29 496 379	4 845 347	47 841	34 293 885	53 550 386
Total	479 843 665	46 217 527	–	9 109 221	516 951 971	143 556 995	20 589 851	4 196 667	159 950 180	357 001 791

CHAPTER FOUR

APPENDIX C – SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2009

	Cost Opening Balance R	Additions R	Disposals R	Closing Balance R	Accumulated Depreciation Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Executive & Council	1 661 417	101 085	–	1 762 502	820 960	187 777	–	1 008 737	753 765
Corporate Services	98 572 670	1 620 512	217 922	99 975 260	21 049 584	1 455 503	37 633	22 467 454	77 507 806
Finance	2 881 369	438 675	3 193	3 316 851	1 634 416	404 121	1 842	2 036 696	1 280 156
Planning & Development	7 382 561	1 491 337	12 730	8 861 168	2 272 997	790 566	4 592	3 058 971	5 802 197
Community & Social Services	9 179 758	548 189	1 985	9 725 963	3 109 208	372 583	1 735	3 480 056	6 245 906
Housing	108 210 624	4 827 338	8 823 000	104 214 962	42 993 755	3 075 993	4 113 854	41 955 894	62 259 068
Public Safety	9 984 338	45 116	–	10 029 453	2 107 347	879 180	–	2 986 527	7 042 926
Sport & Recreation	15 715 465	1 628 144	18 007	17 325 603	6 441 354	931 072	9 027	7 363 400	9 962 203
Waste Management	65 934 067	5 791 160	–	71 725 227	13 321 439	4 082 140	–	17 403 579	54 321 649
Road Transport	29 636 255	10 332 075	–	39 968 330	8 090 322	2 164 783	–	10 255 105	29 713 225
Water	65 069 658	8 449 623	–	73 519 282	20 065 966	3 244 584	–	23 310 551	50 208 731
Electricity	65 463 296	10 944 273	29 634	76 377 934	21 590 257	2 993 011	26 752	24 556 516	51 821 418
Other	152 186	–	2 750	149 436	59 388	8 538	1 231	66 695	82 741
TOTAL	479 843 665	46 217 527	9 109 221	516 951 971	143 556 995	20 589 851	4 196 667	159 950 180	357 001 791

APPENDIX D – SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

				2008					
Actual	Actual	Surplus/		Actual	Actual	Surplus/			
Income	Expenditure	(Deficit)		Income	Expenditure	(Deficit)			
R	R	R		R	R	R			
13 843 473	26 292 935	(12 449 462)	Executive & Council	17 788 896	31 120 590	(13 331 694)			
185 491	9 044 807	(8 859 316)	Corporate Services	481 559	8 633 285	(8 151 726)			
42 801 879	13 493 689	29 308 190	Finance	37 721 502	20 225 644	17 495 858			
1 499 191	8 635 802	(7 136 611)	Planning & Development	1 572 081	9 799 115	(8 227 034)			
–	–	–	Health	–	–	–			
1 064 721	8 088 260	(7 023 539)	Community & Social Services	1 994 690	9 708 949	(7 714 259)			
1 811 660	4 683 862	(2 872 202)	Housing	12 900 270	10 429 616	2 470 654			
6 607 470	7 262 889	(655 419)	Public Safety	6 047 294	9 357 505	(3 310 210)			
312 884	9 567 734	(9 254 850)	Sport & Recreation	255 980	11 419 715	(11 163 736)			
11 786 588	10 610 092	1 176 496	Environmental Protection	16 686 147	12 798 545	3 887 603			
15 492 539	12 892 255	2 600 284	Waste Management	17 617 955	16 381 091	1 236 863			
378 586	9 915 965	(9 537 379)	Road Transport	93 804	12 315 130	(12 221 326)			
20 900 219	17 901 936	2 998 284	Water	27 838 978	21 174 596	6 664 381			
94 376 803	71 225 917	23 150 886	Electricity	126 441 016	96 339 917	30 101 099			
503 546	505 205	(1 659)	Other	178 580	498 186	(319 606)			
211 565 050	210 121 349	1 443 701	Sub Total	267 618 752	270 201 883	(2 583 132)			
–	(11 094 752)	11 094 752	Less Inter–Dep Charges	–	(18 930 535)	18 930 535			
211 565 050	199 026 597	12 538 453	Total	267 618 752	251 271 348	16 347 403			
		–	Add: Share of Associate			–			
		12 538 453				16 347 403			

CHAPTER FOUR

APPENDIX E(1) – ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

REVENUE	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	20 323 699	22 581 806	(2 258 107)	(10,00)	
Property rates - penalties imposed	230 923	100 000	130 923	130,92	
Service charges	165 229 142	167 169 847	(1 940 705)	(1,16)	
Rental of facilities and equipment	1 077 335	1 810 676	(733 341)	(40,50)	Reduction in tariffs
Interest earned - external investments	10 789 908	7 500 000	3 289 908	43,87	
Interest earned - outstanding debtors	1 385 766	300 000	1 085 766	361,92	
Dividends received	–	–	–	0,00	
Fines	3 125 430	3 249 744	(124 314)	(3,83)	
Licences and permits	1 120 388	1 043 629	76 759	7,36	
Income for agency services	1 911 063	1 386 548	524 515	37,83	
Government grants and subsidies	50 202 239	32 908 963	17 293 276	52,55	Capital revenue included - GRAP
Other income	11 589 830	10 953 051	636 779	5,81	
Donated/Contributed Property, Plant and Equipment	1 346 596	–	1 346 596	0,00	
Change in Fair Value	–	–	–	0,00	
Gains on disposal of property, plant and equipment	–	–	–	0,00	
Total Revenue	268 332 320	249 004 264	19 328 056	7,76	
EXPENDITURE					
Executive & Council	33 361 039	37 500 167	(4 139 128)	(11,04)	
Corporate Services	8 633 285	10 162 333	(1 529 048)	(15,05)	
Finance	20 441 496	18 249 750	2 191 746	12,01	No cost charged out as result of surplus
Planning & Development	9 858 994	13 781 123	(3 922 129)	(28,46)	
Community & Social Services	7 468 500	10 471 247	(3 002 747)	(28,68)	
Housing	10 429 616	6 708 854	3 720 762	55,46	Loss on houses transferred to beneficiaries
Public Safety	9 357 505	10 406 557	(1 049 052)	(10,08)	
Sport & Recreation	11 419 715	11 898 535	(478 820)	(4,02)	
Waste Water Management	16 381 091	13 329 067	3 052 024	22,90	
Waste Management	12 798 545	16 041 565	(3 243 020)	(20,22)	
Road Transport	12 255 250	12 006 380	248 870	2,07	
Water	21 174 596	22 125 615	(951 019)	(4,30)	
Electricity	97 400 719	99 457 077	(2 056 358)	(2,07)	
Other	498 186	602 344	(104 158)	917,29	
Less : Interdepartmental Charges	(18 930 535)	(18 163 662)	(766 873)	4,22	
Total Expenditure	252 548 205	264 576 952	(12 028 950)	(4,55)	
NET SURPLUS/(DEFICIT) FOR THE YEAR	15 784 318	(15 572 688)	31 357 006	(201,36)	

CHAPTER FOUR

APPENDIX E(2) – ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	2009 Actual R	2009 Total R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Executive & Council	1 000 911	1 000 911	2 695 400	(1 694 489)	(62,87)	The grant funding for the Thusong Centre was received to late to be spend in the 2008/2009 financial year. The funds was rolled over to the 2009/2010 budget.
Corporate Services	1 305 135	1 305 135	1 365 000	(59 865)	(4,39)	
Finance	743 627	743 627	1 069 000	(325 373)	(30,44)	The Disaster Recovery project continued into the 2009/2010 financial year. The unspend funds was rolled over to the 2009/2010 financial yar.
Planning & Development	2 229 491	2 229 491	2 250 000	(20 509)	(0,91)	
Community & Social Services	578 333	578 333	635 000	(56 667)	(8,92)	
Housing	10 652 260	10 652 260	21 018 000	(10 365 740)	(49,32)	The appointed contractor was suspended by the NHBRC for non compliances not rectified. The available funds were not spend on other housing projects as the EIA processes were not completed.
Public Safety	422 689	422 689	515 000	(92 311)	(17,92)	The extention to the Traffic Offices in Robertson continued into 2009/2010 financial year.
Sport & Recreation	1 346 894	1 346 894	1 446 877	(99 983)	(6,91)	
Waste Management	4 289 125	4 289 125	5 019 914	(730 789)	(14,56)	The construction of the Recycling Plant continued into 2009/2010 financial year.
Road Transport	4 388 942	4 388 942	4 425 000	(36 058)	(0,81)	
Water	8 329 003	8 329 003	8 409 609	(80 606)	(0,96)	
Electricity	11 065 514	11 065 514	11 997 100	(931 586)	(7,77)	The upgrading of the Robertson Main Electricity Substation is a two year project, the remaining funds was rolled over to the 2009/2010 budget.
Other	-	-	-	-	0,00)	
Total	46 351 922	46 351 922	60 845 900	(14 493 978)	(23,82)	

CHAPTER FOUR

APPENDIX F – DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 30-Jun-08 R	Contributions during year R	Operating expenditure during year Transferred to Revenue R	Capital expenditure during year Transferred to Revenue R	Transfers R	Balance at 30-Jun-09 R
Re-election of Ward Committees	150 000					150 000
Ward Base Planning	15 057	90 000	105 057			-
INEP Grant - Electrification	-	160 000	85 632	74 368		-
Municipal Systems Improvement Grant	791 582	735 000	798 232		(166 376)	561 975
Afwag Behuisings Ontwikkelings	1 892 179				(1 892 179)	-
CWDM I/D Documents Campaign-R2	-	100 000	18 323			81 677
Route 62 Projects CWDM	37 377					37 377
PIMS:Performance Management	76 935					76 935
PIMS:Project Management Training	17 560					17 560
Development McGregor Bridge (Silver Strand)		235 526				235 526
DPLG - Masterplan - Civil Services	54 386					54 386
Projectt Preperation	62 000			62 000		-
Safety Report McGregor Dam		230 000	55 000	150 000		25 000
Bakery Project		896 100	92 197	516 247		287 656
Werkskepping Projekte	128 050					128 050
Thusong Centre		1 500 000				1 500 000
Transport Grant - DORA R1,79m	4		4			-
Robertson Masakhane project	353 117					353 117
Scaife Homes Sanitation	167 671					167 671
National Treasury - Finance Management Grant	732 249	500 000	798 779			433 471
28 Semi-Detached Houses	17 903					17 903
Housing Consumer Education CWD	12 250	30 000				42 250
Housing		10 713 700		10 713 700		-
MIIU-EIA - Landfill Site	332 400					332 400
Cleaning Recycling Project	589 912			589 912		-
Pre-paid Watermeters	154 718		6 720	39 471		108 528
Masibambane Programme	45 000					45 000
Cleanest town Award		120 000		120 000		-
Flood Damage		48 000	48 000			-
Equitable Share		27 025 097	27 025 097			-
Main Road Maintenance		78 331	78 331			-
Library		493 935	493 935			-
Training - SETA		433 446				433 446
Montagu Agriculture Union		267 000	267 000			-
Langeberg & Ashton Foods		284 605	284 605			-
DBSA Planning		110 466	110 466			-
Unspent conditional grants and receipts - End of year	5 630 350	44 051 206	30 267 377	12 265 697	(2 058 555)	5 089 928
MIG Projects	(1 013 599)	5 260 000		7 669 165		1 395 566
Housing	853 236	853 236				-
Investigation Grant	110 000					110 000
Unpaid conditional grants and receipts - End of year	(50 363)	6 113 236	-	7 669 165	-	1 505 566
	5 680 713	37 937 970	30 267 377	19 934 862	(2 058 555)	3 584 362

CHAPTER FOUR

APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY

MUNICIPALITIES

Name of municipality:	Breede River Winelands Municipality	Demarcation Code:	WC 026
Name of preparer:	Mr. CF Hoffman (Chief Financial Officer)	Date completed:	30 March 2009
Contact Details:	023 6158032	Financial period:	08/09
Capacity category:	Medium Capacity	(delete whichever not applicable)	

Financial reporting standard	Milestones to be achieved to comply with the standard [include the key challenges that have to be overcome]	Person responsible	Estimate date of compliance
Presentation of financial statements (GRAP 1)	<ul style="list-style-type: none"> • Preparation of GRAP compliant financial statements. • Challenges as listed below. 	CFO	Completed
Cash flow statements (GRAP 2)	<ul style="list-style-type: none"> • Obtain a thorough understanding of the format of the cash flow statement. • No challenges to overcome. 	CFO	Completed
Accounting policies, changes in accounting estimates and errors (GRAP 3)	<ul style="list-style-type: none"> • A draft accounting policy has been prepared • The municipality has appointed external specialists to assist with the implementation of GRAP and to capacitate the preparers of the financial statements with the disclosure requirements of GRAP 3. • The municipality will have to investigate what the potential impact of Standards approved but not yet effective may be on the annual financial statements. 	CFO	Completed (par 14,19 and 39-31 AFS 30 June 2009) Par 14, 19 and 30-31 will be implemented on 1 July 2009
The Effects of Changes in Foreign Exchange Rates (GRAP 4)	<ul style="list-style-type: none"> • The municipality is not involved in any foreign currency transactions. 	CFO	Completed
Consolidated and Separate Financial Statements (GRAP 6)	<ul style="list-style-type: none"> • The municipality has established through a review that it does not have any entities in which it has a controlling interest. 	CFO	Completed
Investments in Associates (GRAP 7)	<ul style="list-style-type: none"> • The municipality has established through a review that it does not have any entities over which it has significant influence. 	CFO	Completed
Interests in Joint Ventures (GRAP 8)	<ul style="list-style-type: none"> • The municipality must still complete the review to establish if it is involved in any public private partnerships which may constitute a joint venture. 	CFO	Completed
Revenue from Exchange Transactions (GRAP 9)	<ul style="list-style-type: none"> • The municipality will review all revenue sources in order to establish compliance with this Standard. • External specialists have been appointed to assist with the review. • The potential impact of paragraph 12 and SAICA Circular 09/06 will have to be assessed. 	CFO	Completed (except paragraph 12 of GAMAP 9 and SAICA Circular 09/06.) Rest of the Standard, AFS 30 June 2009.
Construction Contracts (GRAP 11)	<ul style="list-style-type: none"> • The municipality will review the Standard in order to understand what constitutes a construction contract as defined by the Standard. 	CFO	AFS 30 June 2009
Inventories (GRAP 12)	<ul style="list-style-type: none"> • The municipality will review the Standard in order to understand its requirements. • The municipality's costing systems will be reviewed in order to establish if its current reporting capability is sufficient to comply with the requirements of the Standard. • Any adjustments required to the costing system will made. 	CFO	AFS 30 June 2009

CHAPTER FOUR

APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY

MUNICIPALITIES

Financial reporting standard	Milestones to be achieved to comply with the standard [include the key challenges that have to be overcome]	Person responsible	Estimate date of compliance
Leases (GRAP 13)	<ul style="list-style-type: none"> • The municipality is currently in the process of reviewing all its operating lease agreements in order to establish if some of these should be classified as finance leases. • The municipality must ensure that all assets financed through finance leases are included in the fixed asset register. • The municipality must review all its lease agreements in order to establish if any of these payments should be “smoothed” as per the Standard. 	CFO	Completed
Events after the Reporting Date (GRAP 14)	<ul style="list-style-type: none"> • The preparers of the financial statements will have discussions with senior officials and its lawyers in order to determine if any events after reporting date has occurred. 	CFO	Completed
Investment Property (GRAP 16)	<ul style="list-style-type: none"> • The municipality will review the Standard in order to fully understand what constitutes an investment property. • All investment property must be identified. • All investment property must be transferred from PPE to investment property. • A new accounting policy regarding investment property should be prepared and adopted. • The fixed asset register must be amended in order to process investment property transactions. <p>The full impact of the change in accounting policy must be disclosed in the financial statements.</p>	CFO	AFS 30 June 2009
Property, Plant and Equipment (GRAP 17)	<ul style="list-style-type: none"> • The municipality has performed a physical verification of its PPE and prepared a fixed asset register. • The fixed asset register should be reviewed in order to ensure that the funding sources are correct. • An accounting policy regarding the PPE should be prepared and approved. • Infrastructure assets should be identified and valued by engineers. • All land and buildings should be revalued once the new valuation roll is finalized. • Review of useful life of item of PPE recognised in the annual financial statements. • Review of the depreciation method applied to PPE recognised in the annual financial statements. • Impairment of non-cash generating assets. The municipality requires capacity building in order to understand how impairment tests are performed. • Impairment of cash generating assets. The municipality requires capacity building in order to understand how impairment tests are performed. 	CFO	Completed
Provisions, Contingent Liabilities and Contingent Assets (GRAP 19)	<ul style="list-style-type: none"> • The municipality has appointed external specialists to assist with the identification of potential provisions, liabilities and contingent assets. 	CFO	Completed
Non-current Assets held for Sale and Discontinued Operations (GRAP 100)	<ul style="list-style-type: none"> • The municipality requires capacity building on this Standard in order to fully understand its requirements. 	CFO	AFS 30 June 2010
Agriculture (GRAP 101)	<ul style="list-style-type: none"> • The municipality has appointed external specialists to assist with the identification of potential biological assets. • The biological assets need to be verified and valued. • The municipality's costing system needs to be amended in order comply with the requirements of the Standard. • An accounting policy needs to be drafted for the treatment of agricultural assets. 	CFO	Completed

CHAPTER FOUR

APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY

MUNICIPALITIES

Financial reporting standard	Milestones to be achieved to comply with the standard [include the key challenges that have to be overcome]	Person responsible	Estimate date of compliance
Intangible assets (GRAP 102)	<ul style="list-style-type: none"> • The municipality has appointed external specialists to assist with the identification of potential intangible assets. • The asset register needs to be adjusted in order capture all intangible assets. • An accounting policy needs to be drafted for the treatment of intangible assets. 		Completed for computer software. 1 July 2008 for all other intangible assets.
Financial Instruments: Disclosures (IFRS 7/AC 144)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2009
Income Taxes (IAS 12/AC 102)	<ul style="list-style-type: none"> • Not applicable to this municipality. 		
Employee benefits (IAS 19/AC 116)	<ul style="list-style-type: none"> • The municipality is in the process of preparing the request for quotation for the appointment of actuaries to value all employee benefits. • Once the value of the potential liability is calculated, the municipality must determine a phasing-in policy for the provision of the total liability. 	CFO	Completed
Accounting for Government Grants and Disclosure of Government Assistance (IAS 20/AC 134)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2009
Financial Instruments: Presentation (IAS 32/AC 125)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2009
Impairment of Cash-generating Assets (IAS 36/AC 128)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2010
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2009
Impairment of non-cash-generating Assets (IPSAS 21)	<ul style="list-style-type: none"> • The municipality needs training and clarification on the impact and requirements of this Standard. 	CFO	AFS 30 June 2010

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Financial Sustainability

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Breede River Winlands Municipality's long-term sustainability hinges on sound financial management practices and compliance with the Municipal Finance Management Act (2003). These financial practices that underpin the municipality's process of effective municipal financial management are planning and budgeting, revenue and expenditure management, reporting and oversight. In the past two financial years the municipality has achieved unqualified audits and compiled its financial statement in the new Generally Recognised Accounting Practice (GRAP) Format.

Each of these components contributes to ensuring that Breede River Winlands municipality's financial expenditure is developmental, effective and efficient and that municipalities / municipal entities is accountable for the effective management of its budgets. The reforms introduced by the MFMA in 2003 form the cornerstone of the broader reform package for Breede River Winlands Municipality, outlined in the 1998 White Paper on Local Government. The MFMA (2003) together with the Municipal Structures Act (1998), the Municipal Systems Act (2000) and the Municipal Property Rates Act (2004), provides the procedures and processes for our Municipality's operations, planning, governance and accountability. Chapter 12 of the MFMA provides specific detail on the financial reporting and auditing requirements to be executed by all municipalities.

The aim of this chapter is to provide an overview of the financial performance of the Breede River Winlands Municipality with the aim of measuring financial results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with functional area activities and outputs.

Information included in this chapter is divided into the following framework:

1. FINANCIAL SUSTAINABILITY

Operating results: Revenue and Expenditure

The revenues and expenditures of Breede River Winlands Municipality determine the ability to deliver basic services to our communities. Weaknesses in revenue and expenditure management could constrain our ability to contribute to poverty reduction and economic development.

This section reviews key trends in revenue and expenditures for the current year. It provides a detailed analysis of specific expenditure functions.



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Allocation of Expenditure

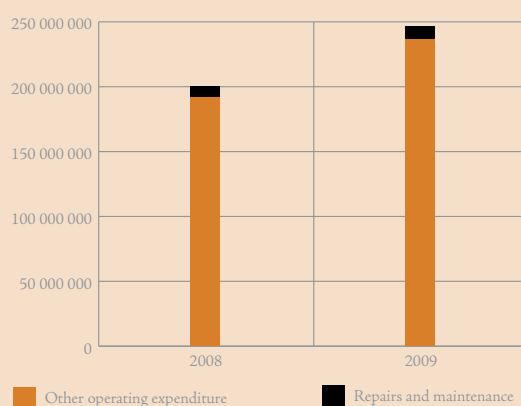
Expenditure on repairs and maintenance remained the same year on year. It is projected that repairs and maintenance will remain at this level over the medium-term while the asset base of Breede River Winelands Municipality continues to grow. Accordingly, the municipality spent 4.2% and 4.2% in 2007/08 and 2008/09 financial year respectively on repairs and maintenance.

The graph below illustrates the allocation of expenditure for repairs and maintenance as a total percentage of the actual operational expenditure.

Table 42: Percentage Expenditure on Repairs & Maintenance

	2008	2009
Other Operating Expenditure	193,823,656	241,931,300
Repairs & Maintenance	8,427,801	10,616,905
Repairs and Maintenance as the percentage of the total Opex	4.2%	4.2%

Figure 9



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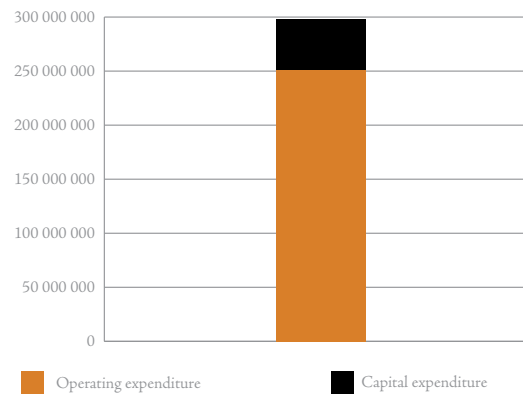
FINANCIAL PERFORMANCE REPORT

Capital and Operation expenditure

Table 43: Capital expenditure compared to overall budget (2008/09)

BUDGET CATEGORY	AMOUNT	%
Operating Expenditure	252,548,205	84%
Capital Expenditure	46,351,922	16%
Total Expenditure	R298,900,127	100%

Figure 10



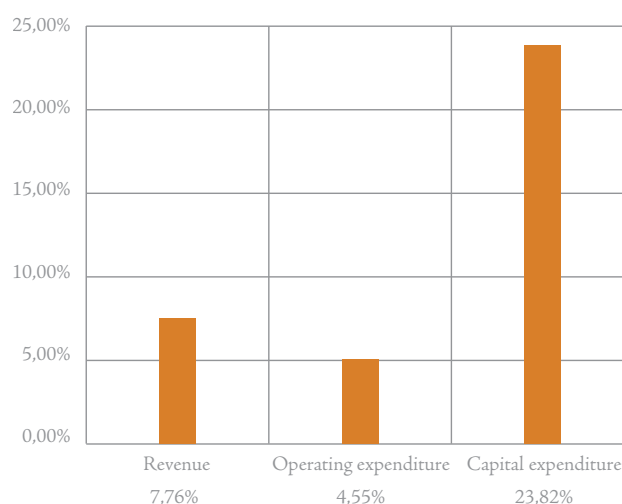
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Table 44: Variance between Actual & Budgeted Expenditure

	% VARIANCE BETWEEN ACTUAL & BUDGETED EXPENDITURE	VARIANCE	BUDGET	ACTUAL
Revenue	7.76%	18 614 488	249 004 264	268 332 523
Operating Expenditure	4.55%	13 305 604	264 576 952	252 548 205
Capital Expenditure	23.82%	14 493 978	60 845 900	46 351 922

Figure 11: Variance of Actual Revenue to Expenditure (as compared to original Budget)



The Variance for revenue & operating expenditure is within the norm, but Capital Expenditure need to improve. The higher than expected variance on the Capital Expenditure is due to the slow delivery on Housing. Only R 4 251 703 of the R 14 908 000 housing grant was spend.

Financial ratios based on Key Performance Indicator

The following calculations are to be used to provide key financial ratios for the determination of the financial health of Breede River Winelands Municipality (viability). The information is sourced from the financial statements as financial ratios involve the comparison of elements from both the balance sheet and income statement, and are crafted with particular points of focus in mind. These ratios are to be presented as per the General Key Performance Indicators (Municipal Systems Act Section 43).

a) Cost coverage

Table 45: Cost coverage (2008 and 2009)

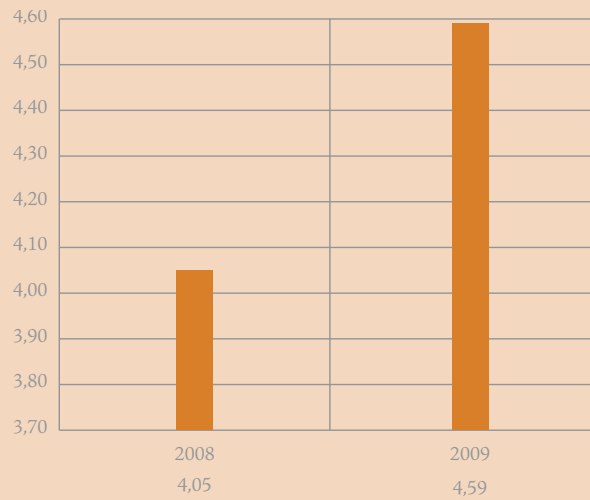
	2009	2008
Available cash	3 956 989	17 586 389
Investments	92 146 276	51 082 923
Monthly fixed operating expenditure.	21 045 684	16 854 288
Cost coverage	4.57	4.07

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Figure12: Cost coverage 2008 and 2009

The available cash is sufficient to cover the operating expenditure for 4.5 (2008: 4.0) months.

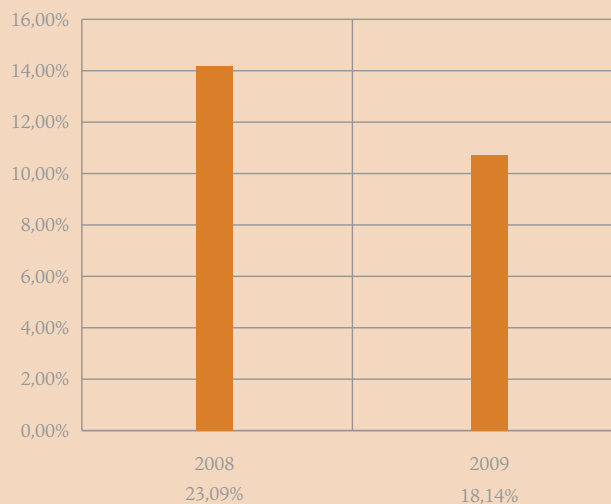


b) Outstanding service debtors to revenue:

Table46: Outstanding service debtors to revenue (2008 and 2009)

	2009	2008
Outstanding service debtors	27 881 747	28 035 891
Annual revenue actually received for services	258 480 114	199 473 021
Outstanding service debtors to revenue	0.11	0.14

Figure13: Outstanding service debtors to revenue



The outstanding service debtors equal 11% (2008: 14%) of revenue. The improvement is due to the fact that there was a small reduction in outstanding debt, but a substantial increase in revenue.

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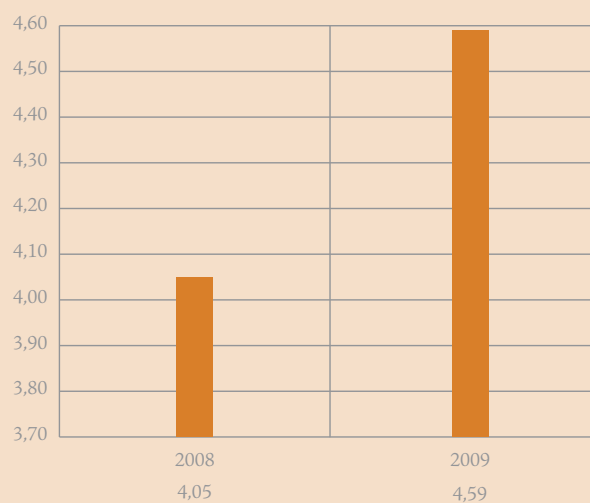
FINANCIAL PERFORMANCE REPORT

a) Debt Coverage

Table 47: Debt coverage 2008 and 2009

	2009	2008
Total operating revenue received	268 332 523	212 550 627
Grants	50 202 239	31 687 684
(i.e. interest + redemption) due within the financial year	12 023 256	7 833 757
Debt coverage	18.14	23.09

Figure14: Debt coverage



The operating revenue is sufficient to cover interest and redemption payments on external loans. The decline in the ratio is as a direct result of a new loan taken up with the Development Bank of South Africa.

Other financial matters

Credit Control

Responsibility includes credit control measurements on outstanding accounts and identifying indigents.

- Through the debt management policy the municipality's debt recovery rate of 97.65% has exceeded the annual target of 96%, as well as the previous financial year's 95%.
- Approximately 4 656 indigents were identified during the 2008/09 financial year, compared to approximately 4 668 indigents households identified during 2007/08.



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Table 48: Indigents per town:

2007/08		2008/09	
Robertson	1676	Robertson	1532
McGregor	40	McGregor	67
Ashton	1202	Ashton	1184
Bonnievale	607	Bonnievale	543
Montagu	1143	Montagu	1330
Total	4668	Total	4656

- Outstanding amounts to the value of R 3 431 147.71 owed by indigents was written off during the 2008/09 financial year, compared to approximately R 374 996.95 owed in 2007/08.
- The municipality has a 40% rebate policy on property tax for pensioners (60 years and over) with an income of \leq R 2 500 per month.
- The total rebate which was calculated according to the rates policy amounted to R5 601 124 during 2008/09, compared to the 2007/08 financial year's R19 493 197. This huge decrease is due to changes in the tariff structure, inter alia, agricultural properties.

Table 49: Rebates

REBATES	2007/08	2008/09
Rates rebates (residential, government and agricultural)	R18 996 875	R5 053 903
Rates rebates - pensioners	R33 119	R43 850
Rebates - developers	R436 567	R492 107
Rebates - land reform	R26 636	R11 264
Total	R19 493 197	R5 601 124

2. INCOME

Revenue

Conditional transfers make up the remainder of the resources transferred from national government to municipalities. As the word implies, these grants are based on specific programmes / projects to be initiated by the municipality concerned. Transfers are made directly as cash, or indirectly as assets or support services. Some of the better known transfers include:

- Municipal Infrastructure Grant (MIG)
- Government Grants and Subsidies

Loans and borrowing:

Borrowing as a financing option carries an intrinsically higher risk compared to financing from own resources and national transfers. The increase in the borrowings is as a direct result of a new loan taken up with the Development Bank of South Africa. The proceeds of the loan were utilized to upgrade sewerage and water infrastructure. A loan of R 20 million will be taken up during the 2009/10 and 2010/11 financial years to finance the upgrading of electricity infrastructure.



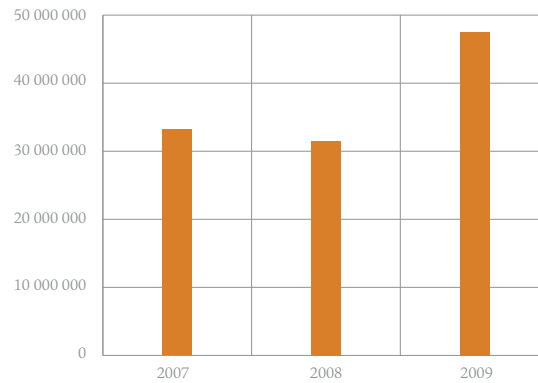
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Table50: Actual Borrowings

	2007	2008	2009
Actual Borrowings	33 184 163	31 522 364	47 581 548

Figure15: Actual Borrowings



The increase in external loans is due to the financing of capital expenditure.

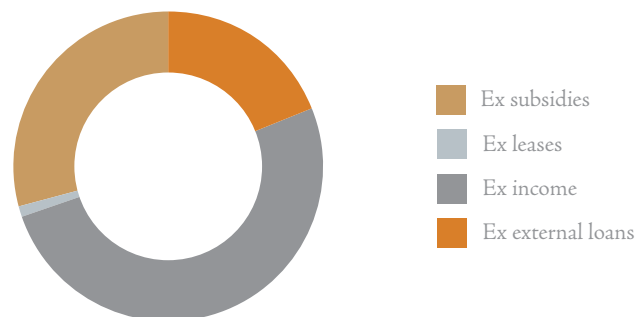
Capital Funding by Source:

The bulk of the Capital Expenditure is financed from own funds. External loans were used to finance the upgrading of electricity infrastructure. The Municipal Infrastructure Grant and the Housing Grant are the main sources of subsidies used for capital expenditure.

Table 51: Capital Funding by Source:

	CAPITAL REVENUE
ex External Loans	8 918 353
ex Income	23 999 112
ex Leases	559 211
ex Subsidies	13 657 105

Figure16: Capital funded by source 2008/09



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Own Revenue:

Breede River Winelands Municipality also generate other revenue in the form of traffic fines, business licences, rental fees, entrance fees for use of municipal facilities and fresh produce markets.

Current revenues are income derived mainly from rates and service charges. Surpluses generated from these sources can be used to finance assets. However, increasing property rates and service charges may not be the only answer to finance infrastructure. This is because it would place an immediate burden on current residents who may not be there to enjoy the benefits of the completed infrastructure in the future.

Table 52: Actual Revenue by Source

	ACTUAL REVENUE BY SOURCE		2009 %	2008 %
	2009	2008		
Property rates	20 323 699	20 322 854	8%	10%
Service charges	165 229 142	138 457 749	62%	65%
Interest Earned	12 406 597	9 506 253	5%	4%
Government grants and subsidies	50 202 239	31 687 684	19%	15%
Other income	20 170 845	12 576 087	8%	6%
Total Revenue	268 332 523	212 550 627	100%	100%

Figure 17: Actual Revenue by Source



Service charges accounts for 62% (2008: 65 %) of revenue. Electricity provides for 72% (2008: 68%) of service charges.

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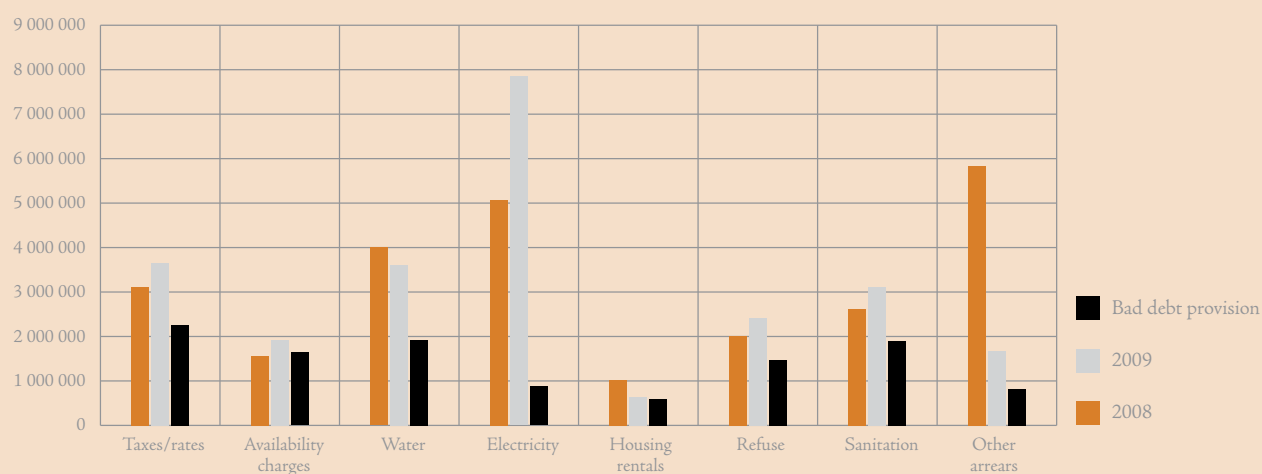
FINANCIAL PERFORMANCE REPORT

Outstanding Consumer Debt:

Table 53: Outstanding Consumer Debtors by Category

OUTSTANDING CONSUMER DEBTORS PER CLASS			
	2008	2009	BAD DEBT PROVISION
Taxes - Rates	3 455 397	4 060 952	2 516 923
Availability Charges	1 725 714	2 143 205	1 823 571
Water	4 444 278	4 002 621	2 131 195
Electricity	5 640 686	8 718 839	970 878
Housing Rentals	1 136 195	710 271	664 771
Refuse	2 240 085	2 691 030	1 644 115
Sanitation	2 918 206	3 456 222	2 112 182
Other Arrears	6 475 330	1 868 940	907 064

Figure 18: Outstanding Consumer Debtors by Category



Although electricity contributes the most to consumer debtors it does not contribute much to the bad debt provision as the recovery rate is high. A slight decrease in debtors was experienced during the 2008/2009 financial year.



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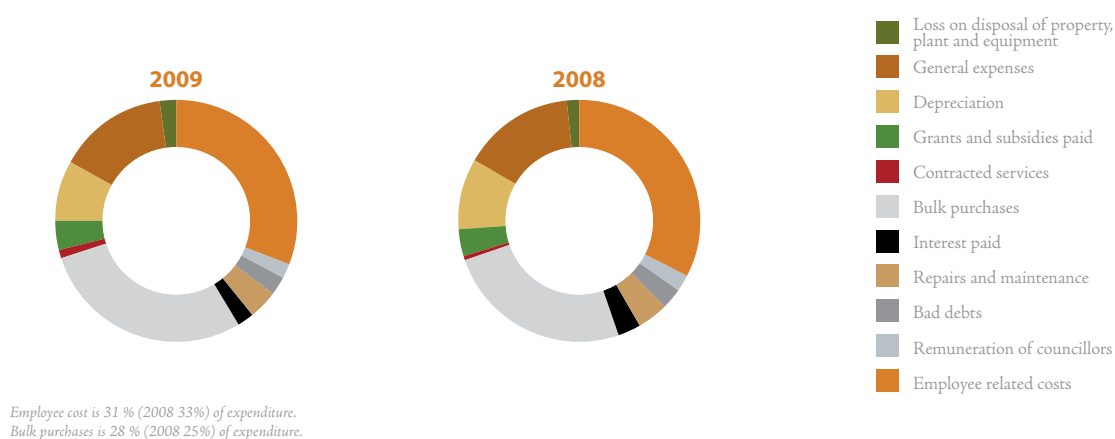
FINANCIAL PERFORMANCE REPORT

3: EXPENDITURE

Table 54: Actual expenditure by Item 2009

	ACTUAL EXPENDITURE BY ITEM	
	2009	
Employee related costs	78 176 721	30.96%
Remuneration of Councillors	4 730 734	1.88%
Bad debts	6 414 120	2.54%
Repairs and maintenance	10 616 905	4.20%
Interest paid	8 881 080	3.52%
Bulk purchases	71 344 891	28.25%
Contracted services	2 757 519	1.09%
Grants and subsidies paid	9 748 267	3.86%
Depreciation and amortisation	20 787 174	8.23%
General expenses	34 199 622	13.54%
Loss on disposal of property, plant and equipment	4 891 171	1.95%
Total Expenditure	252 548 205	100.00%

Figure19: Actual Expenditure by item 2009/8



The main key costs are employee cost which is 31% (2008:33%) of the expenditure and bulk purchases are 28%.



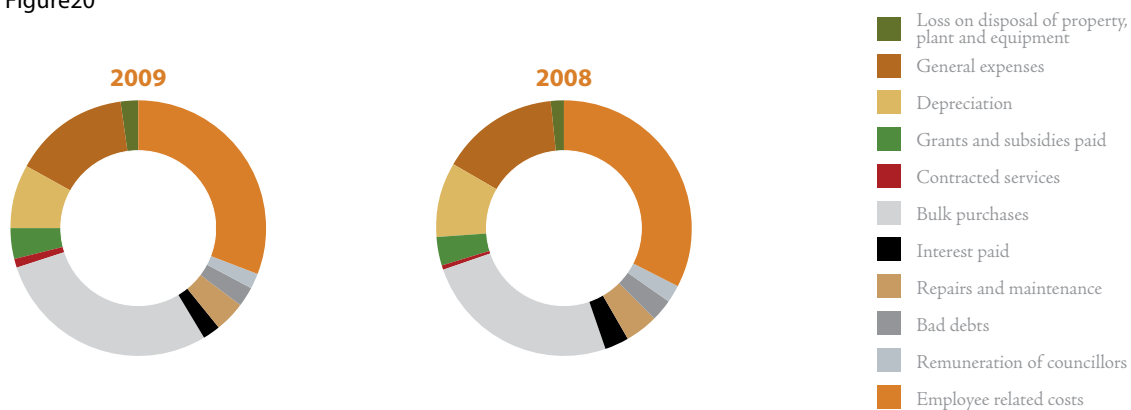
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Table 55: Actual expenditure by Item 2008

	ACTUAL EXPENDITURE BY ITEM	
	2008	
Employee related costs	66 487 702	32.66%
Remuneration of Councillors	4 216 902	2.07%
Bad debts	6 104 253	3.00%
Repairs and maintenance	8 427 801	4.14%
Interest paid	6 116 969	3.00%
Bulk purchases	50 982 806	25.04%
Contracted services	1 044 855	0.51%
Grants and subsidies paid	7 238 310	3.56%
Depreciation and amortisation	18 110 733	8.95%
General expenses	30 172 581	14.82%
Loss on disposal of property, plant and equipment	3 348 546	1.64%
Total Expenditure	202 251 457	100.00%

Figure20



Employee cost is 31 % (2008 33%) of expenditure.
Bulk purchases is 28 % (2008 25%) of expenditure.



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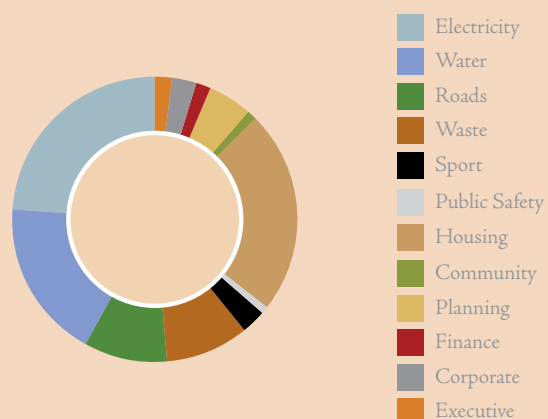
Capital expenditure by vote/department

The bulk of capital expenditure is in respect of Housing and Electricity.

Table 56: Actual Expenditure by major user department

CAPITAL EXPENDITURE BY VOTE	2009
Executive	1 000 911
Corporate	1 305 135
Finance	743 627
Planning	2 229 491
Community	578 333
Housing	10 652 260
Public Safety	422 689
Sport	1 346 894
Waste	4 289 125
Roads	4 388 942
Water	8 329 003
Electricity	11 065 514

Figure 21: Actual Expenditure by major user department



The bulk of capital expenditure is in respect of Housing and Electricity.



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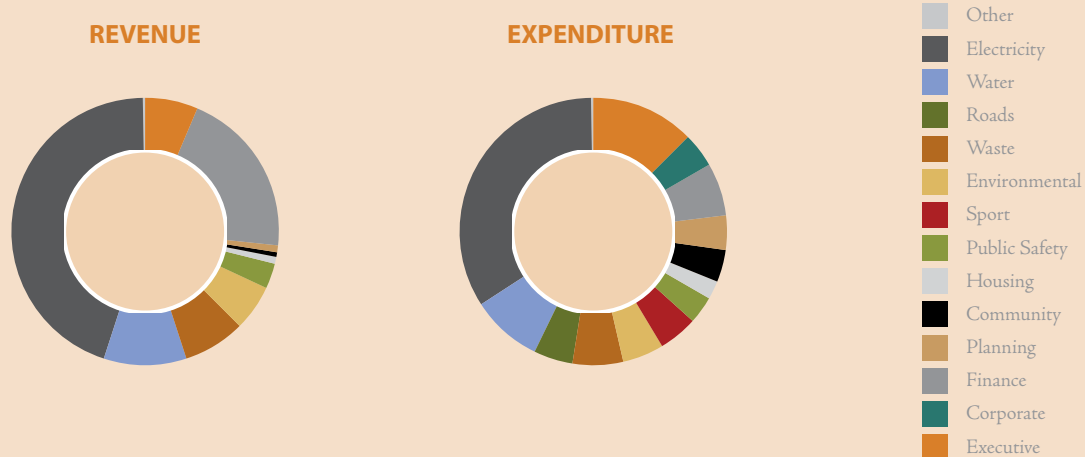
FINANCIAL PERFORMANCE REPORT

Revenue by Vote (2007/08)

Table 57: Revenue by Vote (2007/08)

	REVENUE BY VOTE 2007/2008	
Executive	13,843,473	6.54%
Corporate	185,491	0.09%
Finance	43,787,456	20.60%
Planning	1,499,191	0.71%
Community	1,064,721	0.50%
Housing	1,811,660	0.86%
Public Safety	6,607,470	3.12%
Sport	312,884	0.15%
Environmental	11,786,588	5.57%
Waste	15,492,539	7.32%
Roads	378,586	0.18%
Water	20,900,219	9.88%
Electricity	94,376,803	44.61%
Other	503,546	0.24%
Total	212,550,627	100.00%

Figure22



The graph for expenditure is for comparative purposes.



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FINANCIAL PERFORMANCE REPORT

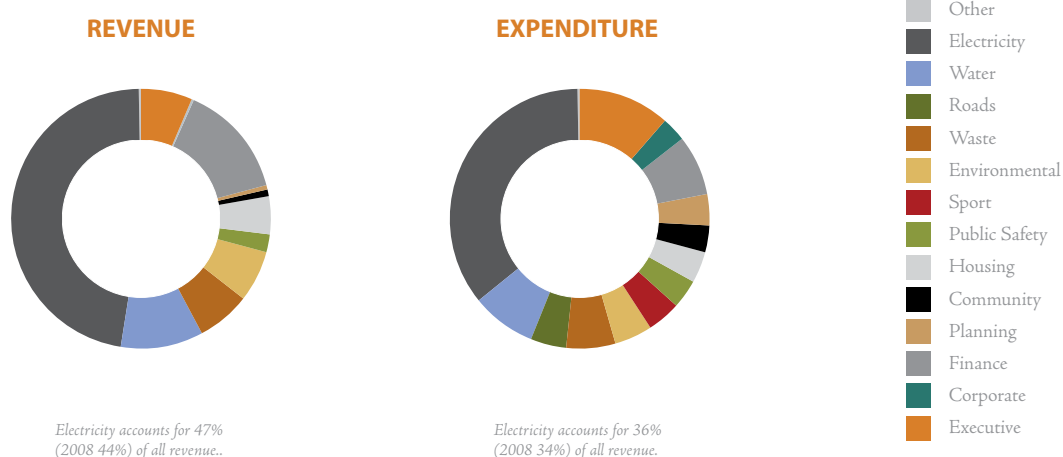
Revenue by Vote (2008/09)

Table 58: Revenue by Vote (2008/09)

	REVENUE BY VOTE 2008/2009	
Executive	17,788,896	6.65%
Corporate	481,559	0.18%
Finance	38,435,273	14.32%
Planning	1,572,081	0.59%
Community	1,994,690	0.75%
Housing	12,900,270	4.82%
Public Safety	6,047,294	2.26%
Sport	255,980	0.10%
Environmental	16,686,147	6.24%
Waste	17,617,955	6.58%
Roads	93,804	0.04%
Water	27,838,978	10.40%
Electricity*	126,441,016	47.25%
Other	178,580	0.07%
Total	268,332,523	100.00%

*Electricity accounts for 47% (2008: 44%) of all revenue

Figure23



The graph for expenditure is for comparative purposes.



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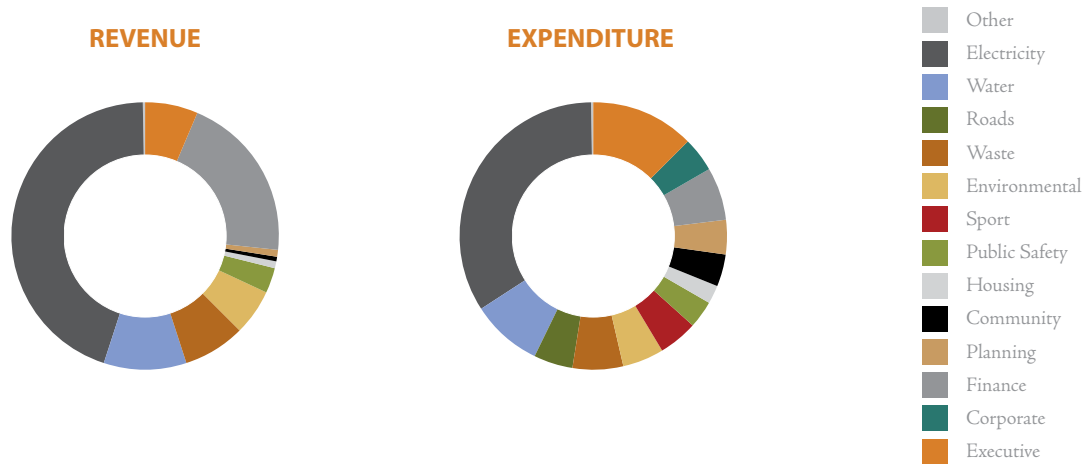
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Expenditure by Vote (2007/08)

Table 59: Expenditure by Vote (2007/08)

	EXPENDITURE BY VOTE 2007/2008	
Executive	26,292,935	12.51%
Corporate	9,044,807	4.30%
Finance	13,493,689	6.42%
Planning	8,635,802	4.11%
Community	8,088,260	3.85%
Housing	4,683,862	2.23%
Public Safety	7,262,889	3.46%
Sport	9,567,734	4.55%
Environmental	10,610,092	5.05%
Waste	12,892,255	6.14%
Roads	9,915,965	4.72%
Water	17,901,936	8.52%
Electricity	71,225,917	33.90%
Other	505,205	0.24%
Total	210,121,349	100.00%

Figure 24



The graph for revenue is for comparative purposes.



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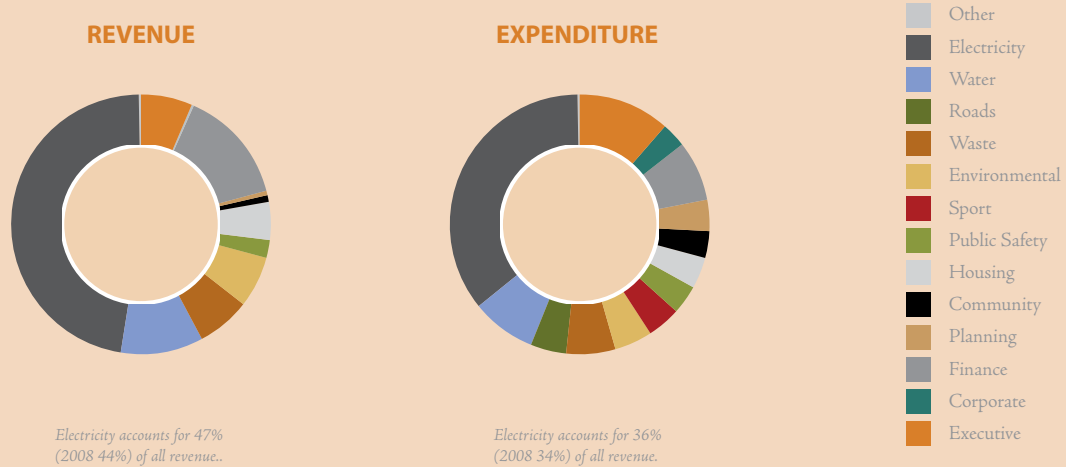
FINANCIAL PERFORMANCE REPORT

Expenditure by Vote (2008/09)

Table 60: Expenditure by Vote (2008/09)

	EXPENDITURE BY VOTE 2008/2009	
Executive	31,120,590	11.52%
Corporate	8,633,285	3.20%
Finance	20,225,644	7.49%
Planning	9,799,115	3.63%
Community	9,708,949	3.59%
Housing	10,429,616	3.86%
Public Safety	9,357,505	3.46%
Sport	11,419,715	4.23%
Environmental	12,798,545	4.74%
Waste	16,381,091	6.06%
Roads	12,315,130	4.56%
Water	21,174,596	7.84%
Electricity	96,339,917	35.65%
Other	498,186	0.18%
Total	270,201,883	100.00%

Figure25



The graph for revenue is for comparative purposes.



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CHAPTER SIX

BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

INFRASTRUCTURE DEVELOPMENT

Housing

The housing department within the Breede River Winelands Municipality plays a key role in providing an essential basic service i.e. housing delivery. Some of the other functions of this department include; rectification of defects, providing human settlement (informal housing), updating waiting lists, transferring ownership (rental and RDP/BNG Houses), processing subsidy applications, facilitating Housing Consumer Education, selling houses (rental stock) and processing applications for the Enhanced Extended Discount Benefit Scheme (EEDBS). In addition, the department coordinates budget allocations by the Department of Local Government and Housing (DPLG & H).

This section focuses on addressing the need for adequate shelter across the municipal area and providing better quality living environments and affordable housing. It also has to ensure that basic services are provided for in informal settlements; that properties are transferred into the names of beneficiaries, as well as selling houses and managing rental units. Currently an estimated 7969 families are without proper housing and shelter. To address this backlog the municipality needs to deliver 1594 housing units per year over the next five years.

Every financial year, the Breede River Winelands Municipality and the mayoral committee continue to identify housing as a priority. Despite the municipality's commitment, housing delivery has been slow, with only R11 030 046.00 of the R20 208 000.00 allocated budget spent.

Challenges 2008/09

- ♦ Slow delivery of completed houses by contractor.
- ♦ Skills levels of subcontractors.
- ♦ Non-compliances issued by NHBRC.
- ♦ Payment of suppliers and subcontractors.
- ♦ Financial capability of contractor impacting on project completion.

Priorities 2008/09

- ♦ To complete the projects in Nkqubela, Igloo and Robertson North Infill Sites.
- ♦ To have the projects at Zolani, Bonnievale and Mandela Square approved by Provincial Housing.
- ♦ To complete Environmental Impact Assessments (EIA) and geotechnical studies in Kogmansloof and McGregor.
- ♦ To submit N6 project applications for approval for Kogmansloof and McGregor.
- ♦ To appoint a developer for development of erf 2 in Robertson.
- ♦ To get approval for social housing of erf 4024 in Robertson.
- ♦ To register the old Nkqubela hostels for redevelopment into community residential units.

Performance 2008/09

During the 2008/09 financial year, 84 of the subsidised low cost RDP houses were built against the target of 233. This was much lower than the 280 houses built during 2007/08. Non payment of sub-contractors and the non compliance with the **National Home Builders Registration Council** (NHBRC) by a contractor resulted in the low delivery of houses. To mitigate the problem, the department will work



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closely with the NHBRC and cancel the contract with the said contractor and complete the project utilising emerging suppliers.

- ♦ A target to deliver 735 services for new RDP housing was achieved. This performance is a major improvement on 280 services during 2007/08.
- ♦ The target to provide social/inclusionary housing to cater for those above the low cost housing criteria was not achieved, due to the cancellation of the tender process for this project. The tender will be re-advertised in the 2009/10 financial year.
- ♦ The EIA and geo-technical study in Kogmanskloof and McGregor was not completed as planned in 2008/09, so the project has been rolled over to the 2009/10 financial year.
- ♦ As planned, a developer for the development of erf 2, Robertson was appointed during 2008/09.
- ♦ The target to have approval for 52 social housing units on erf 4024 in Robertson, was not achieved. The application is still with the Provincial Government Department for Housing.

Future Plans: 2009/10

- ♦ The department intends to deliver 628 low cost houses by 30th June 2010.

Electricity Services

To alleviate pressure on indigent people, the National Government has implemented the regulation regarding the provision of free basic electricity. In line with this policy, the Breederiver Winelands Municipality provides 50 free units of electricity to indigent households with a monthly income of less than R870, and 20 free units to households with a monthly income between R871 and R1740.

Keeping in line with the minimum standard of service delivery, that requires the basic infrastructure to be in place, to allow the community access to electricity and the provision of basic lighting, the municipality has implemented numerous projects and programmes to ensure sustainable provision of electricity to approximately 18122 Breederiver Winelands Municipal consumers.

The department provides electricity services, which includes bulk services, reticulation, and maintenance. It also provides maintenance of electrical installations to

municipal buildings. In addition to this, the unit manages major electrification projects through the Integrated National Electrification Programme (INEP).

Challenges 2008/09

- ♦ Reduce energy losses by 1%.
- ♦ Provide electrical services that comply with National Standards.
- ♦ Efficient use of electricity as per the national objective to reduce energy consumption by 10%.
- ♦ Upgrade of old networks to ensure economic development through the supply of sufficient capacity.

Priorities 2008/09

- ♦ The upgrading of the Robertson main substation Phase 1.
- ♦ The upgrading of feeder protection at the Ashton Main substation.
- ♦ The upgrading of the 11 kilo-volt and the 400 volt feeders.
- ♦ Installation of miniature substations and transformers.
- ♦ Upgrading of street lighting.
- ♦ Installation of new street lighting.
- ♦ Replacement of old prepaid meters.
- ♦ Electrification of RDP houses.
- ♦ Purchase of equipment and safety equipment.
- ♦ Installing new electrical supplies and the upgrade of existing electrical supplies to consumers.
- ♦ Energy savings.
- ♦ Electrical losses (technical and non-technical).
- ♦ Reparation of flood damage.
- ♦ Electrification funding.

Performance 2008/09

- ♦ Robertson Main substation Phase 1 was upgraded at the cost of R7 200 000.00. The project will benefit all the inhabitants of Robertson as well as the surrounding rural areas. This ensures that sufficient electrical capacity is available for economical development and future housing developments.
- ♦ The upgrading of the feeder protection Ashton Main substation was completed at a cost of R 265,000.00, to the benefit of the communities of Ashton, Zolani and the surrounding rural areas.
- ♦ To ensure compliance with national safety standards and sufficient supply capacity, the 11 kilo-volt and 400 volt feeders were upgraded, to the benefit of the inhabitants

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of rural areas in Langverwacht, Bonnievale, Bonnievale town, Montagu town and Talana, Montagu.

- The installation of miniature substations and transformers was completed at a cost of R 175,000.00.
- To improve energy savings, 126 streetlights and 500 lamps were replaced with more efficient lamps in Ashton, Bonnievale, Montagu, McGregor and Robertson.
- Thirty four (34) additional street lights were installed in Industrial Road Ashton and a 25 meter high mast with six 1000 watt flood lights in Droëheuvel.
- To secure income for the municipality, electricity meters were replaced in Ashton, Bonnievale, Montagu and Robertson at a cost of R 490,109.00.
- Although material to electrify 178 RDP and farm worker houses was available, only 88 houses were electrified in Iglo's, Nkqubela, McGregor in addition to farm worker houses in Klaarvoogds and Robertson.
- Equipment to detect cable faults was purchased in the 2008/09 financial year, to reduce downtime due to power failures.
- To ensure easily available new electrical supplies were purchased through a tender process and 89 connections were completed to upgrade the existing electrical supplies to consumers.
- Over and above the replacement of streetlights and lamps to reduce energy consumption, the municipality also implemented solar water heating projects and an exchange programme for faulty Compact Florescent Lamps. However, due to economic development in the area, only a 6.26% energy saving was achieved.
- Electrical losses (technical and non-technical) due to faulty meters and electricity theft, was reduced by 1% to an annual loss of 6.8% or 18,908,213 kWh at a cost of ±R3 781 642.00.
- The necessary repairs required due to flood damage to the electrical networks in Montagu Springs, Montagu West and Robertson was completed in Montagu, at a cost of R400 000.00
- A funding application for R160,000.00 for electrification

of houses was approved. Only five farm worker houses were electrified in Klaarvoogds, Robertson, due to a delay in the construction of 55 other infill houses.

- Over 300 vehicles were maintained and repaired to ensure electricity supply to the Breederiver Winelands municipal area.

Future Plans 2009/10

- Electricity for houses.
- The upgrading of Robertson Main substation, Phase 2.
- The upgrading of Robertson Reticulation Industrial Area.
- Voltage Regulator, Wakkerstroom Oos.
- Replacement of prepaid meters.
- Upgrading of low-tension reticulation lines in Montagu.
- Upgrading the 11Kv: Giep de Kok substation.
- Upgrading the 11Kv lines Rural Stormsvlei/Kapteinsdrift.
- Installation of a 11Kv Ring Main Feeder, Ashton.
- Relocation of electrical connections for a new housing project.

Town Planning

The Town Planning Department plays a crucial role in ensuring that the development of the Breederiver Winelands enriches the lives of all citizens, while strengthening the local economy and promoting integration amongst the communities.

The department comprises five specialist teams: Land Management, Spatial Planning, Building Control, Administration of Valuations and Geographic Information Systems. Together, they are responsible for providing guidance on all issues associated with planning, environmental management and sustainability.



The primary responsibility of this department includes inter alia; processing building plans, land use applications, and ensuring compliance with environmental statutes. The department also assists in public projects such as housing developments.

Challenges

To sustain the progress it made during 2008/09, the Town Planning Department must address a number of important challenges:

- ✦ Recruiting a full complement of staff and one town planning technician.
- ✦ Completing the Integrated Zoning Scheme Regulation.
- ✦ The municipality has embarked on a process to combine the different zoning schemes within the municipal area into one zoning scheme and will compile an up-dated zoning map in accordance with the Integrated Zoning Scheme. This scheme will replace the existing Section 7 and 8 zoning scheme which is currently applicable within the boundaries of the municipal area. The approval of the regulations will simplify the administration of land use within the municipal area.
- ✦ Providing sufficient and accurate basic information.
- ✦ An integrated system for the Greater Breederiver Winelands Municipality is based on intra-internet technology that will assist Municipal officials in updating and maintaining information on a daily basis. Existing systems and databases will have to be evaluated and used in the development of the New Integrated Information System. The system will also have to comply with industry standards and be open for further development as the needs and the requirements change within the Council. The system should also be based on sound Geographical Information System (GIS) principles.
- ✦ Capturing all outstanding electronic data.
- ✦ One of the main outstanding sets of data in the system to date is the zoning layer. This would assist municipal officials in accessing the data more effectively and also maintain it in electronic format. The key challenge encountered by the municipality at present is the

reporting on accurate and up-to-date zoning data, as this information is being maintained in files.

Priorities 2008/09

- ✦ Determination of flood lines; Montagu/McGregor.
- ✦ Integrated Spatial Management Information System.
- ✦ Updating of the Spatial Development Framework Plan.
- ✦ Integrated Zoning Scheme Regulations.

Performance 2008/09

- ✦ The Zoning Scheme Regulation document was completed in December 2008. It was however not approved by the Council, who referred the matter back for further discussion.
- ✦ 100% of Land Use Applications were processing within 14 days of advertising.
- ✦ 96% of the Land Use Applications: referred to Council within eight weeks of comment against the target of 100%. The target could not be achieved, due to the resignation of the Town Planning Technician.
- ✦ First concept was completed by 30th April 2009. The target to complete the Spatial Development framework was however not achieved due to the failure to appoint the consultant and because the data necessary for the completion of the framework was outstanding.
- ✦ The project that was initiated to determine 1/100 year floodlines was completed in December 2009 in the following areas, Kingna and Keisie rivers in Montagu and Hoeks and Houtbaais rivers in McGregor.
- ✦ Building plans: It is encouraging to note that the performance of our systems and processes improved significantly during the year. While this meant that we processed building plans more quickly, the number of building plans we received dropped as the level of building activity in the municipality decreased slightly. We processed all the building plans for developments under 500 sq m and gave feedback to customers within 30 days. We processed all building plans for developments over 500 sq m and gave feedback to customers within 60 days.

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Table 61: Building Plans:

CATEGORY	2006/2007	2007/2008	2008/2009
Building plans approved	637	678	542
Encroachments approved	88	64	64
Encroachments not approved	9	53	0
Building plans not approved	15	5	64

- The department did not achieve the target to implement the GIS Project – Phase V, owing to the capturing of zoning scheme data which could only commence once the Zoning Scheme had been approved by Provincial Administration.

Table 62: Revenue generated through building plan applications:

APPLICATIONS OUTSTANDING 1ST JULY 2007	CATEGORY	NUMBER OF NEW APPLICATIONS RECEIVED 2007/2008	TOTAL VALUE OF APPLICATIONS RECEIVED RAND	CATEGORY	NUMBER OF NEW APPLICATIONS RECEIVED 2008/2009	TOTAL VALUE OF APPLICATIONS RECEIVED RAND	APPLICATIONS OUTSTANDING 30TH JUNE 2008
Not known	Residential New	117	23100.51 m ² R103 952 m	Residential New	103	11 078,3 m ² R49 852 350	Not known
Not known	Residential Additions	260	21685.24 m ² R86 741 m	Residential Additions	219	16 711,4 m ² R75 201 390	Not known
Not known	Other Residential	11	1984.04m ² R5 952 m	Other Residential	165	600,9 m ² R2 703 870	Not known
Not known	Commercial	35	13616.64 m ² R40 850 m	Commercial	43	8 612,2 m ² R38 754 855	Not known
Not known	Industrial	16	7568.40m ² R18 846 m	Industrial	29	7 830,5 m ² R35 237 250	Not known
Not known	Minor	198	Not Known	Minor	75	Not Known	Not known
	TOTAL	637	67954.84m ² R256 341 m	TOTAL	634	44 833,3 m ² R201 749 850	

Future Plans

- Finalisation of Spatial Development Framework Plan.
- Finalisation of Integrated Zoning Scheme Regulations.

Civil Engineering (Roads, Water, Sewerage and Stormwater)

The Civil Engineering Department manages 227.86 kilometres of local roads, and 53.3 kilometres of underground storm water systems. The Brede River Winelands Municipality must align its resources and focus on the national government's infrastructure development imperative. With this in mind, the Civil Engineering Department has been tasked with the responsibility of managing roads, water, sewerage, storm water, buildings, irrigation water portfolios, as well as the

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Municipal Infrastructure Grant (MIG) and the Extended Public Works Programme (EPWP).

Challenges 2008/09

To bring water losses down – under 20%.

To provide the public with services of a high standard and to minimise complaints.

Priorities 2008/09

- Upgrading of existing water networks (Robertson – 1050 metres and McGregor – 1600 metres).
- Provide new reservoirs for Montagu (in operation) and McGregor (be in operation within the next month).
- Upgrading of existing sand filters at the purification plant.
- Installation of 10 new standpipes in Bonnievale and McGregor .
- Upgrading of existing purification outfall works.
- Upgrading of existing sewer networks – Robertson (connection of new mains - 180 m).
- Upgrading of existing street networks.
- Installation of 10 new toilets in McGregor

Tarring of various streets

The department exceeded the target of tarring 1600m of road and 2078 were tarred:

Table 63: Tarring of streets

STREETSTARRED IN 2007/8		STREETS TARRED IN 2008/09	
Sweetpea Street	57m,	Nel Street	184
Roosmaryn Street	121m	Hibiscus Street	178
Nonyawaza Street	205m	Slag Street	90
Nyamana Street	232m	Viooltjie Street	270
Rorwana Street	237m	Peperbos Street	223
Mabombo Street	274m	Mimosa Street	117
Mpini Street	144m	Mafka Street	315
Ngonyama Street	28m	Populier Street	334
		Majola Street	282
		Buitekant Street	85
Total:	1298	Total:	2078

Future Plans 2009/10

- To spend the allocated budget of R3 500 000.00 on building new roads.



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Table 64: Performance 2008/09: Civil Engineering

KEY PERFORMANCE AREAS	BASELINE 2007/8	TARGET 2008/09	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
Water - complaints	Less than 10/month	Less than 10/month	4,25/month	n/a	n/a
Water losses	Less than 20%	Less than 20%	25.4%	Old networks/ flood damage	Replace broken meters. Metering all connections. Start to upgrade old networks.
All households to have access to water within a distance of 200m	100%	100%	100% (10 new standpipes in Bonnievale & McGregor)	n/a	n/a
Sewerage – quality of effluent in terms of DWAF standards	100%	100%	100%	n/a	n/a
Number of households with access to basic toilet facilities	100%	100%	100% (Installation of new toilets in McGregor -10)	n/a	n/a
Street and storm water - complaints	Less than 5/month	Less than 5/month	8/month	Flood damage/ equipment shortages and personnel/ standing time of break-downs at workshop	Continuous maintenance
Complete Montagu and McGregor Reservoirs	80%	100%	100%		
Civil department – adherence to budget allocation	100%	100%	100%	n/a	n/a



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Table 65: Water Quality Report: Per Town
Final effluent ex Ashton STP

	GENERAL LIMIT	JULY 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	% COMPLIANCE
PH (at 25C°)	5.5- 9.5	7.12	7.05	6.94	7.15	7.57	6.95	7.06	7.13	8.03	7.35	7.63	7.18	100.00
Conductivity (at 25C°)	150	121	114	120	150	149	146	203	185	177	182	162	158	50.00
Faecal Coliforms (organisms per 100ml)	1000	Nil	Nil	Nil	600	>1000	Nil	Nil	>1000	>1000	Nil	Nil	Nil	75.00
	mg/l													
Chemical Oxygen Demand	75.0 max	73.3	32	35.3	42.0	84.7	62.5	52.6	56.9	56.9	67.5	69.4	24.4	91.66
Ammonia (as N)	6.0 max	12.9	12.7	8.7	20	16.1	6.15	4.9	21	9.7	9.2	15.7	18.2	16.66
Nitrate Nitrogen (as N)	15.0 max	7.2	8.3	8.5	2.2	4.4	10.8	1.7	1.5	3.8	12.1	1.2	7.6	100.00
Nitrite Nitrogen (as N)	15.0 max	0.46	1.2	0.64	0.28	0.26	3.4	1.7	<0.08	0.34	4.0	0.2	2.3	100.00
Total Suspended Solids	25.0 max	2	6	5	1	8	8	2	14	8	19	6	3	100.00
Ortho Phosphorus (as P)	10.0 max	9.2	9.6	8.2	14.1	6.4	9.5	13.1	15.5	12.2	12.4	7.6	9.4	58.33
Average														76.85

 A shaded item indicates a non compliance according to the general limit.



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Table 66: Final effluent ex Bonnievale STP

	GENERAL LIMIT	JULY 2008	AUG 2008	SEPT 2008	OCTR 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	% COMPLIANCE
PH (at 25C°)	5.5- 9.5	7.17	7.33	6.75	6.69	7.09	7.29	7.11	7.21	6.96	6.81	7.37	6.45	100.00
Conductivity (at 25C°)	150	117	103	62.3	94.5	1451	163	129	114	107	113	145	75	91.66
Faecal Coliforms (organisms per 100ml)	1000	>1000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91.66
	mg/l													
Chemical Oxygen Demand	75.0 max	200	84	54.9	46.1	66.5	45.8	48.6	24.4	24.4	27.8	53.1	12.2	83.33
Ammonia (as N)	6.0 max	53.3	37.8	9.0	1.6	<0.15	<0.15	<0.15	<0.15	0.28	<0.15	0.38	0.46	75.00
Nitrate Nitrogen (as N)	15.0 max	1.0	8.4	14.2	5.5	10.4	6.1	6.0	1.5	3.6	8.2	5.7	8.6	100.00
Nitrite Nitrogen (as N)	15.0 max	0.08	1.1	0.30	<0.08	0.08	0.16	<0.08	<0.08	<0.08	0.08	<0.08	<0.08	100.00
Total Suspended Solids	25.0 max	54	32	15	6	20	4	3	4	1	1	1	2	83.33
Ortho Phosphorus (as P)	10.0 max	10.2	11.6	11.5	12.5	6.1	10	9.8	4.4	10.6	9.6	7.2	8.8	72.72
Average														88.63

 A shaded item indicates a non compliance according to the general limit.



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Table 67: Final effluent ex McGregor STP

	LIMIT	JULY 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	% COMPLIANCE
PH (at 25C°)	6.0- 9.0	7.14	7.04	7.29	7.24	7.37	7.25	7.34	7.86	7.28	7.01	7.34	6.87	100.00
Conductivity (at 25C°)	200	125	130	138	212	151	210	170	179	135	141	108	102	100.00
Faecal Coliforms (organisms per 100ml)	100 000	Nil	>1000	Nil	Nil	Nil	Nil	Nil	Nil	>1000	Nil	Nil	Nil	100.00
	mg/l													
Chemical Oxygen Demand	400 max	68.8	60.2	54.9	52.2	41.1	58.0	77	87.8	97.6	87.3	61.2	58.8	100.00
Ammonia (as N)	6.0 max	15.3	10.0	9.1	2.1	5.5	6.9	10.4	1.7	9.4	4.9	18.0	14.7	41.66
Nitrate Nitrogen (as N)	15.0 max	8.3	4.6	7.0	5.1	4.3	2.4	1.6	1.9	0.7	4.6	7.4	4.9	100.00
Nitrite Nitrogen (as N)	15.0 max	2.2	0.14	1.3	0.06	0.7	0.26	<0.08	0.16	>0.08	1.3	1.8	1.2	100.00
Total Suspended Solids	25.0 max	7	4	8	1	7	7	6	12	10	31	7	5	91.66
Ortho Phosphorus (as P)	10.0 max	10.3	7.2	6.0	7.3	3.3	9.1	12.9	12.1	14.4	13.8	9.4	8.2	66.66
Average														88.88

A shaded item indicates a non compliance according to the general limit.



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Table 68: Final effluent ex Robertson STP

	GENERAL LIMIT	JULY 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	% COMPLIANCE
PH (at 25C°)	5.5- 9.5	7.36	7.58	7.57	7.43	7.37	7.35	7.67	7.78	7.61	7.4	7.51	7.15	100.00
Conductivity (at 25C°)	150	133	154	160	204	151	169	163	136	148	129	142	134	50.00
Faecal Coliforms (organisms per 100ml)	1000	Nil	Nil	Nil	Nil	Nil	>1000	Nil	>1000	Nil	Nil	>1000	>1000	66.66
	mg/l													
Chemical Oxygen Demand	75.0 max	40.1	52	43.1	81.6	41.1	70.0	45.1	51.0	69.1	31.7	126	163	75.00
Ammonia (as N)	6.0 max	19.2	37.8	20.2	26.4	5.5	7.1	8.9	14.2	5.7	8.0	32.0	36.2	16.66
Nitrate Nitrogen (as N)	15.0 max	1.8	2.8	2.7	4.5	4.3	4.2	3.0	2.7	1.1	2.0	2.5	7.0	100.00
Nitrite Nitrogen (as N)	15.0 max	0.42	0.68	0.62	<0.08	0.7	0.9	0.08	0.56	0.16	1.2	<0.08	0.1	100.00
Total Suspended Solids	25.0 max	3	7	8	2	7	22	18	4	10	7	31	20	91.66
Ortho Phosphorus (as P)	10.0 max	9.0	10.5	6.5	10.6	3.3	8.6	6.1	14.0	7.4	8.4	9.6	10.4	91.66
Average														76.85

 A shaded item indicates a non compliance according to the general limit.



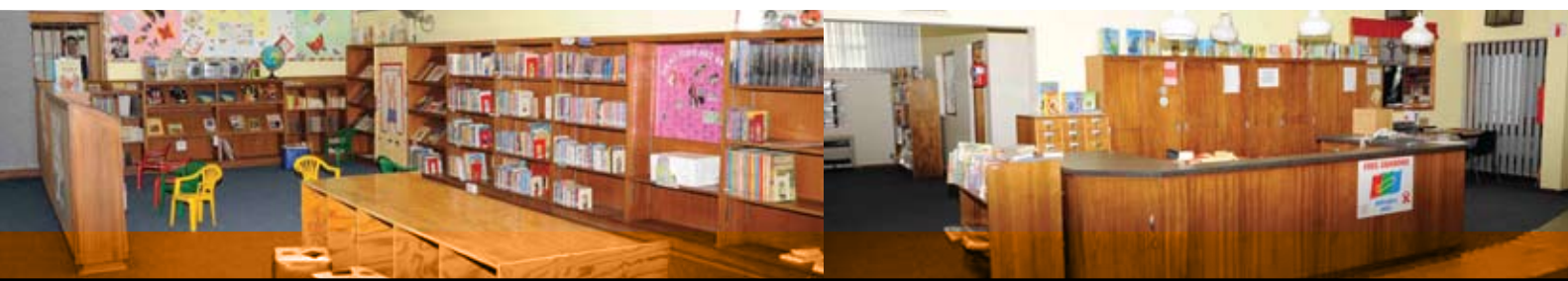
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Table 69: Final effluent ex Montagu STP

	GENERAL LIMIT	JULY 2008	AUG 2008	SEPT 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	% COMPLIANCE
PH (at 25C°)	5.5- 9.5	7.22	6.76	7.48	7.26	7.35	8.04	7.83	7.92	7.57	7.17	7.54	7.44	100.00
Conductivity (at 25C°)	150	128	134	112	155	121	147	186	173	175	161	133	116	58.33
Faecal Coliforms (organisms per 100ml)	1000	Nil	> 1000	Nil	>1000	Nil	Nil	Nil	Nil	Nil	>1000	Nil	Nil	75.00
	mg/l													
Chemical Oxygen Demand	75.0 max	141	128	216	281	206	128	148	141	378	183	151	126	0.00
Ammonia (as N)	6.0 max	34.0	30.8	43.2	0.14	29.6	43.0	43.6	40.2	26.4	32.0	33.0	30.4	8.33
Nitrate Nitrogen (as N)	15.0 max	1.2	5.0	1.3	3.4	<0.2	4.2	5.3	7.5	1.7	7.5	1.3	5.9	100.00
Nitrite Nitrogen (as N)	15.0 max	0.10	<0.08	0.14	<0.08	0.70	0.90	0.14	<0.08	0.10	<0.08	0.10	0.28	100.00
Total Suspended Solids	25.0 max	29	28	46	10	55	19	49	11	72	52	23	32	33.33
Ortho Phosphorus (as P)	10.0 max	14.3	13.7	10.8	11.5	10.9	9.4	11.7	23.0	13.6	8.6	6	3.6	33.33
Average														56.48

A shaded item indicates a non compliance according to the general limit.



Municipal Infrastructure Grant Unit (MIG)

The Municipal Infrastructure Grant is a conditional grant from the Department of Local Government and Housing (DPLG&H) to the local government. It is designed to supplement municipal capital budgets for the provision of basic infrastructure to the poor. In the past ten years, the municipality has experienced a steady increase in population growth resulting in an escalated demand for basic services, such as water delivery and sewerage purification. The Breede River Winelands Municipality has a business unit called Programme Management Unit (PMU) and its responsibility is to identify infrastructure projects that qualify for inclusion to the location. Moreover, the PMU registers the projects, coordinates the programme, and integrates them into municipality priorities, while monitoring and reporting on their progress.

During 2008/09, the MIG grant formed a substantial portion of Breede River's total capital budget of R 60 399 875. The MIG budget of R 5 308 000 was allocated and R 7 717 165 spent on various projects.

Table 70: MIG Budget

BUDGET ACTIVITY	2005/06	2006/07	2007/08	2008/09
Approved budget amount	R 3 550 642.97	R 4 223 143.50	R 4 401 851.39	R 5 308 000
Spent budget amount	R 3 550 642.97	R 4 223 143.50	R 4 401 851.39	R 7 717 165
Variance	R 0.00	R 0.00	R 0.00	- R 2 409 165

All the projects undertaken by the municipality were high priority projects, labour intensive and facilitated local economic development through job creation. All employed the services of local SMMEs and BEE compliant companies, thereby aiding the slow transformation of the municipality.

Table 71: The projects listed below were funded through the MIG grant:

MIG FUNDED PROJECT	BUDGET
Recycling plant	R 1 377 447.57
Ashbury reservoir	R 446 188.24
McGregor bulk water	R 4 199 976.30
Central landfill site	R 1 645 552.43

None of the MIG funds were rolled over to the 2009/10 financial year.

Expanded Public Works Programme (Epwp)

The EPWP is one of Breede River Winelands Municipality's initiatives to bridge the gap between the growing Winelands economy and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development in the area.

In the municipality, the programme set a target of providing employment opportunities and training through the labour-intensive Municipal Infrastructure Grant and Breede River funded infrastructure projects.



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Performance 2007/08

- Breeder River Winelands Municipality had four medium to large scale infrastructure and labour-intensive projects.
- There was an increase in the number of jobs created through the EPWP during the 2008/09 financial year with a total of 376 jobs created compared to the 369 jobs created in the 2007/08 financial year.

Table 72: Expanded Public Works Programme:

PROJECT	PROJECT DESCRIPTION	NUMBER OF JOBS CREATED	YOUTH EMPLOYED	WOMEN EMPLOYED	MALES EMPLOYED
Cleaning the townships in the municipal area	Cleaning of townships in the municipal area using the unemployed in that specific area	165	0	107	58
Upgrading of storm water systems and cleaning up after the floods on Voortrekker Street	Storm water upgrade and cleaning	107	0	12	95
Installation of services in Nkqubela for housing project	Installation of basic services	33	0	0	33
Cleaning up the town of McGregor, the dumping site and the dams in that area	Cleaning of street	71	0	47	24
	Total	376	0	166	210

COMMUNITY SERVICES

Library and Auxiliary Services

The department is responsible for the maintenance, the management and control of libraries, swimming pools and the community halls.

Priorities 2008/09

- To establish customer and environmentally friendly public facilities for the whole community and to create a safe and healthy workplace for the personnel.
- To provide equipment and technology for better service delivery.

Table 73: Performance 2008/09

KEY PERFORMANCE AREAS	BASELINE 2007/8	TARGETS 2008/09	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
1. Upgrading of libraries	100%	100%	87.96%	Supplier could not deliver with-in timeframe. Air conditioner was ordered in advance, but was out of stock.	
2. Upgrading of community halls	0%	100%	97.81%	Not Applicable	
3. Community Hall: McGregor	0%	100%	82.1%	Project was cancelled due to appeals regarding site	Upgrading of existing building into civic centre
4. Upgrading of swimming pools	100%	100%	99.97%	Not applicable	
5. Equipment: swimming pools	100%	100%	98.39%	Not applicable	

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Libraries

The Breeder River Winelands Municipality has nine libraries under its jurisdiction situated in Bonnievale, Happy Valley, Montagu, Sunnyside, Ashton, Zolani, Mountain View, McGregor and Robertson. These libraries have approximately 15,614 members; of which 5,104 are children and 10,510 are adults. This is a -0.99% decrease in membership from the 2007/08 financial year.

Libraries circulated a total of 366,374 pieces of material during the 2008/09 financial year. More than 15,614 people borrowed; 253,756 adult books, 96,285 children's books, 9,716 magazines, 3,119 CDs and tapes, and 1,676 videos and 1,822 DVDs from the nine different libraries. This is a 0.96% decrease in the circulation of library materials from the 2007/08 financial year.

The department committed to a R164 189.71 maintenance budget, to be spent on minor and major upgrades in all libraries. However the libraries upgrade project was only 87% completed, due to a delay in the delivery of the new air conditioning unit.

Table 74: Libraries projects:

UPGRADING OF ROBERTSON LIBRARY <ul style="list-style-type: none"> • Repair the leaking roof • Install blinds 	UPGRADING OF MOUNTAIN VIEW LIBRARY <ul style="list-style-type: none"> • Installation of air conditioners • Replacement of the court yard roof • New work stations for computers • Purchase new chairs • Purchase of new equipment (DVD player)
UPGRADING OF HAPPY VALLEY LIBRARY <ul style="list-style-type: none"> • Replacement of floor tiling with carpet • Upgrading of toilets • Upgrading of kitchen • Installation of air conditioners in the study room • Purchase of new equipment (microwave, vacuum cleaner, television, DVD player and television) 	UPGRADING OF MCGREGOR LIBRARY <ul style="list-style-type: none"> • Renovation of wooden windows • Purchase of DVD player
UPGRADING OF MONTAGU LIBRARY <ul style="list-style-type: none"> • Installation of new book shelves • Purchase of new equipment (television and DVD player) 	UPGRADING OF SUNNYSIDE LIBRARY <ul style="list-style-type: none"> • Installation of air conditioners • Upgrading of kitchen • Purchase of new equipment (DVD player, microwave, bar fridge and television)
UPGRADING OF ASHTON LIBRARY <ul style="list-style-type: none"> • Installation of alarm system • Painting of exterior • Replacement of fascia boards • Purchase of new equipment (DVD player) • Upgrading of garden 	UPGRADING OF BONNIEVALE LIBRARY <ul style="list-style-type: none"> • Replacement of the 'out of order' air conditioners • Upgrading of the garden • Purchase of new equipment (television, DVD player, bar fridge)

Swimming Pools

The municipality has two swimming pools in Robertson. Although there is no official record of the visitors making use of these pools, during the 2008/09 financial year, the municipality generated more than R127 093.27 in revenue. This is an increase from the R118 412.50 generated during the 2007/08 financial year. The department expended 99% of the R192 640.14 budget to complete the necessary maintenance work on the Dirkie Uys Street and Robertson North swimming pools.

Table 75: Maintenance work completed

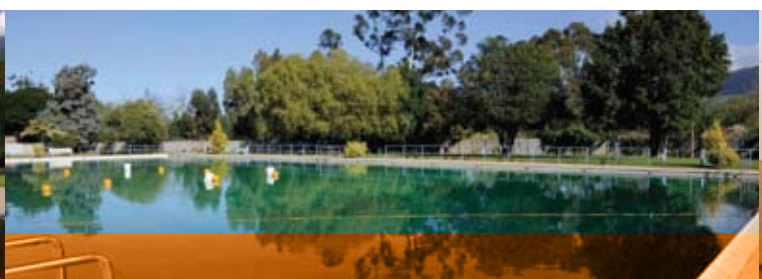
UPGRADING OF THE DIRKIE UYS STREET SWIMMING POOL	<ul style="list-style-type: none"> • Replacement of defective pumps • Tiling of entrances • Installation of burglar proofing • Upgrading of toilets
UPGRADING OF THE ROBERTSON NORTH SWIMMING POOL	<ul style="list-style-type: none"> • Replacement of defective sieves • Installation of burglar proofing • Tiling of entrances

Community Halls

Breede River Winelands Municipality has ten community halls. The Barnard, Zolani, Happy Valley, Wilhelm Theys Avenue, Nkqubela and Robertson community halls, Chris van Zyl and Hofmeyr halls, as well as the Ashton and Robertson town halls. It is the department's responsibility to ensure that all Breede River community halls are fully utilised and well maintained to acceptable standards.

During the year under review, 1395 functions and meetings were held in the municipal halls. This amounts to a slight decrease from 1404 during the previous financial year. No complaints were received from the public regarding the condition of the halls.

The department allocated and spent R 277 000.92 to maintain the community halls and the maintenance work was 97% complete. The target to build the new hall could not be met, due to the cancellation of the project because of an appeal against the building site.



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Table 76: Maintenance work completed on the community halls

UPGRADING OF ROBERTSON TOWN HALL <ul style="list-style-type: none"> • Replace flooring of kitchen • Install new cupboards in kitchen • Install vents in hall 	UPGRADING OF NKQUBELA COMMUNITY HALL <ul style="list-style-type: none"> • Tiling of toilets • Building of ramp for disabled • Purchase of new equipment (replace wooden tables)
UPGRADING OF CIVIC CENTRE <ul style="list-style-type: none"> • Upgrade stage floor • Upgrading of garden 	UPGRADING OF WILHELM THEYS AVENUE COMMUNITY HALL <ul style="list-style-type: none"> • Repair leaking roof • Upgrading of garden • Upgrading of toilets
UPGRADING OF HAPPY VALLEY COMMUNITY HALL <ul style="list-style-type: none"> • Upgrading of garden 	UPGRADING OF CHRIS VAN ZYL HALL
UPGRADING OF HOFMEYR HALL <ul style="list-style-type: none"> • Tiling of entrance 	UPGRADING OF BARNARD HALL <ul style="list-style-type: none"> • Painting of Interior • Upgrading of kitchen • Install safety gates • Upgrading of toilets • Install blinds and stage curtains • Upgrading of garden • Purchase of new equipment (fridge, stove, tables, chairs)
UPGRADING OF TOWN HALL <ul style="list-style-type: none"> • Upgrading of kitchen • Painting of exterior • Install blinds and stage curtains • Provide new equipment (fridge, stove, chairs, tables) 	UPGRADING OF ZOLANI COMMUNITY HALL <ul style="list-style-type: none"> • Install stage curtains and curtains for the interior • Replace broken toilet doors • Install burglar gates • Upgrade of kitchen • Provide new equipment (fridge, stove, tables)

Traffic and Licensing Services

The Breede River Winelands Municipality's traffic and licensing department is dedicated to delivering superior law enforcement services, through a partnership-approach with the communities it serves. It aims to create a safe and secure environment for all residents, citizens and visitors within the municipality through the provision of effective traffic policing and law enforcement.

Some of the tasks performed by the department include the processing of applications, registration (e-NaTis) and issuing of learner-driver and driver's licenses. In addition, this department ensures that the following functions are carried out: registration of motor vehicles, issuing of fines, managing point duties during emergencies, road marking, erecting road signs, testing of motor vehicles for road worthiness, serving of summons and executing warrants of arrest and patrolling at schools.

Challenges in 2008/09

The challenges facing the Breede River Winelands Traffic and Licensing Department are as follows:



- Ensuring that effective administrative and control is exercised over all traffic and licensing services.
- Ensuring proper and effective law enforcement on the roads.
- Ensuring effective employment of security officers to protect municipal assets.

Priorities 2008/09

- Upgrading the Robertson Traffic Services Centre.
- Traffic services public education: focussing on schools.

Performance 2008/09

During this financial year the department achieved the following:

- Owing to the budget adjustment, 85% of the Robertson Traffic Centre Upgrade project was completed and a portion of the funds was rolled over to the new financial year.
- The target to implement four road safety programmes in historically disadvantaged schools was achieved, and is an improvement from one safety programme during the last financial year where approximately 2,500 pupils participated.
- The two month turn-around time for the processing of drivers' licences and learner driver licences has been maintained.
- The number of drivers' licences and learner driver licences increased from 324 in 2007/08 to 3 017 transactions in 2008/09, generating an impressive revenue of R181 020.00.

The following revenue was generated from traffic and licensing services:

- 746 learner drivers' licenses - R52 440.00.
- 877 professional drivers' licenses - R61 390.00.
- 915 temporary drivers' licenses - R35 440.00.
- 2 364 applications for drivers' licenses - R318 520.00
- 3 869 drivers' licenses issued - R386 500.00
- 3 751 motor vehicle road worthiness testing - R247 885.00
- 4 425 speeding enforcement summonses were issued - R856 292.39
- In addition 363 summonses were issued which is an improvement on the 252 summonses and warrants of arrest issued the previous year.

- It must be noted that the revenue generated includes the amounts that need to be paid to the Province, the Road Traffic Management Corporation, the service provider for manufacturing the license cards as well as the service provider for processing the speeding transgressions.

Future Plans:

- Finalising service delivery agreements with the Province.
- Ensuring a more user-friendly system and process for licensing (learner drivers' licences, drivers' licences and vehicle licences).
- Expanding law enforcement.
- Expanding security deployment.

Disaster Management and Fire Services

All the services of the department are aligned to Section 84(1)(j) of the Local Government: Municipal Structures Act, Act 117 of 1998, Disaster Management Act No 57. (Act 57 of 2002) and the National Disaster Risk Management Framework.

The department seeks to create a safer environment through the provision of world-class, seamless, and cost-effective emergency services, to all communities of the Breede River Winelands Municipality.

This objective is realised through the provision of fire fighting and disaster management services and an effective 24-hour emergency call centre for the Fire Services. Citizens are provided with easy access to emergency services and are assured of a speedy response to emergencies and disaster situations.

The department operates in terms of the Fire Brigade Services Act and its functions are as follows:

- To prevent the outbreak and spread of fire.
- To fight and extinguish fire.
- To protect life and property against fire or other threatening danger.
- To rescue life and property from a fire or other dangers.

Challenges 2008/09

- Financial constraints for the establishment of a new service, which requires a large initial investment.

- In the face of financial constraints, to devise a strategic plan for fire protection to meet the objectives.
- A budget with sufficient financial resources to incrementally meet objectives.
- Appointing staff in accordance with re-determined weight of response requirements.
- Finding suitable municipal facilities which could be modified or altered to accommodate fire facilities.

Priorities 2008/09

- To incrementally establish a Fire Services Department in terms of legislative requirements and code (Fire Brigade Services Act, 99/1987 and SANS 0900 as per Council Resolution as per the outcome of a Section 78 investigation (Municipal Structures Act.).
- To appoint an additional four (4) fire fighters and at the same time aim to address employment in terms of the Equity Policy.
- To ensure that fire fighters are trained up to Fire Fighter II Level.
- To adhere to prescribed response times in terms of SANS 0900.

Performance 2008/09

- The Disaster Management Plan was revised within the legislated time frame and included in the Integrated Development Plan.
- 100% of the Disaster Management Programme was implemented, the same achievement as in 2007/08.
- The department attained the average response time of 12.81 minutes to all fire incidents against the target of 40 minutes. This is a 2 minute improvement from the response time in 2007/08, which was 14 minutes.
- During the 2008/09 financial year, the department responded and extinguished all 172 reported fires compared to 179 fires in 2007/8 and the 168 fires during the 2006/07 financial year.
- Three fire fighters were appointed against the target of four fire fighters. The department could not find a suitable candidate for the fourth position.
- The target to train four fire fighters up to Fire Fighter II Level training was achieved.
- During 2008/09, 619 building plans were submitted and scrutinised for fire safety purposes, compared to the 704 in the 2007/08 financial year.

- During 2008/09 the fire services responded to eight motor vehicle fires.

Future Plans

- Establishment of fire fighting facilities in all towns on a 24-hour basis.
- Finding suitable municipal facilities which could be modified or altered to accommodate fire fighting facilities.
- Acquiring sufficient numbers of fire fighting vehicles for all towns.
- Appointing sufficient staff in terms of SANS 0900.

Environmental Services

The Department of Environmental Services endeavours to provide a sustainable, equitable, efficient, and cost-effective variety of services to all communities and businesses. These include: cleansing, parks and recreation, and environmental control.

Cleansing

The cleansing unit is responsible for the co-ordination of infrastructure and cleansing services. This includes domestic refuse collection (from formal and informal households), recycling waste, collecting garden refuse, co-ordinating drop-off area services, transferring and composting organic domestic refuse.

Performance 2009/10

Achievements of the Cleansing Unit:

- The municipality has an Integrated Waste Management Plan.
- All streets in the municipality receive a daily, weekly or monthly cleansing service, depending on traffic in the areas.
- A joint cleansing project was embarked upon with the Local Canning Factory to clean and beautify the municipality.
- The Breede River Winelands Municipality received the National Cleanest Town accolade in the 2009 Cleanest Town Competition.

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Table 77: KEY performance areas

KEY PERFORMANCE AREAS	BASELINE 2007/8	TARGET 2008/09	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
Garden waste removal	Daily	Daily	Daily	Additional skips	N/A
Number of skips removed	24	36	36		N/A
Total number of skips	Ashton (4m ³) 15 Montagu (4m ³) 9 Bonnievale (4m ³) 10 Robertson (4m ³) 27 McGregor (4m ³) 2	19 12 13 12 1 (when necessary)	19 12 13 12 1	N/A	N/A
Household waste removal	Once a week	Once a week	Once a week	N/A	N/A
Commercial waste removal	Twice a week	Twice a week	Twice a week		
Collection of industrial waste and abattoir waste	Daily Total skips removed per day: 6m ³ (3)	Daily Total skips removed per day: 6m ³ (3) 9m ³ (1)	Daily Total skips removed per day: 6m ³ (3) 9m ³ (1)	Purchase of additional skips	N/A
Building rubble	Daily	Daily	Daily	N/A	N/A
Green waste to compost disposal	600m ³ per month	600m ³ per month	600m ³ per month	Public awareness	N/A
Industrial and abattoir waste	24m ³ per day to landfill site	27m ³ per day to landfill site	27m ³ per day to landfill site	N/A	N/A
	Total skips 4 x 6m ³	Total skips 9 x 6m ³ 3 x 9m ³	Total skips 16 x 6m ³ 10 x 9m ³	N/A	N/A
Household and commercial waste disposal	Total to landfill 2500m ³ per month	Total to landfill 2600 m ³ per month	Total to landfill 2684 m ³ per month	Small variance	N/A
Compost generating	280m ³ per month	320m ³ per month	350m ³ per month	Increase in incoming green waste	N/A
Recycling of glass	None	None	24m ³ (income) ±R1 200.00	Separation of waste at transfer station	N/A
Construction of recycling plant	Planning of recycling plant	Phase 1 100% complete	Phase 1 + 2(85%) complete	Funding was available	N/A
Managing Transfer Station (informal)	Transfer weekly waste from transfer stations	Transfer waste weekly from transfer stations	Transfer waste weekly from transfer stations	N/A	N/A

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Parks, Recreation and Cemeteries

The municipal parks and recreation unit develops and maintains zoned public open spaces such as hiking trails, recreational areas, sports grounds, play parks and fences. The unit is also responsible for planting and pruning trees and shrubs, as well as the mowing of grass.

Performance 2008/09

A number of additional projects were completed through the Ward Allocation system.

Table 78: KEY performance areas

KEY PERFORMANCE AREAS	BASELINE 2007/08	TARGETS 2008/09	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
Beautification of open spaces	1 per town per year	1 per town per year	2 per town	N/A	N/A
Manage hiking trails	Maintain total km Montagu 30.2 Robertson 54.9	Maintain total km Montagu 30.2 Robertson 54.9	Maintain total km Montagu ? Robertson?		
Increase number of visitors in the hiking trails per month	Montagu 237 Robertson 89	Montagu 237 Robertson 89	Montagu 280 Robertson 102		
Generate income from hiking trails	R 114 142.00	R 122 523.00	R 71 334.34	Weather dependant	N/A
Maintenance of sports grounds(cutting of grass per month)	Ashton 28000 m ² Bonnievale 14000 m ² Montagu 14 000 m ² Robertson 35 000 m ² McGregor 14 000 m ²	Ashton 28000 m ² Bonnievale 14000 m ² Montagu 14000 m ² Robertson 35 000 m ² McGregor 14 000 m ²	Ashton 28000 m ² Bonnievale 14000 m ² Montagu 14000 m ² Robertson 35 000 m ² McGregor 14 000 m ²	N/A	N/A
Maintenance of public toilets	9	10 public toilets	10 public toilets	N/A	N/A
Planting of trees and shrubs	345	345 trees	515 trees		N/A
Maintenance of trees (prune)	700	850	978		N/A
Maintenance of pavements and open spaces (total km to maintain)	160 km Total amount of weed killer used 880 litres	160 km Total amount of weed killer used 900 litres	160 km Total amount of weed killer used 940 litres	N/A	N/A
Play park development and maintenance	16 play parks	20 play parks	20 play parks	Develop more play parks 2008/09	N/A
Budget spent on maintenance of new fences	R 27 747.73	R 30 000.00	R 30 000.00	n/a	N/A
Enforcement of cleaning of private ervens (total written notices)	87	Minimum 87	Total written notices: 96		N/A
Control of dogs (number of written notices to private owners)	66	66	167		N/A
Budget spent on pest and vector control	R 3 600.00	R 3 600.00	R 2 100.00		
Complaint reductions	118	118	97		N/A

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Cemeteries

The cemetery unit develops and maintains cemetery facilities that promote dignity and respect to communities. New cemeteries aim to cater for special needs, while meeting landscape, infrastructural and environmental standards and objectives. Existing cemeteries will also be extended accordingly.

Performance 2008/09

Table 79: Key deliverables against set goals for cemetery department where:

KEY PERFORMANCE AREAS	BASELINE 2007/08	TARGET 2008/09	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
Approval for the development of new cemeteries	EIA 2 Cemeteries	Approval 2 Cemeteries	Approval 2 Cemeteries	N/A	N/A
Maintenance of cemeteries	Replace fencing 80% of existing cemeteries	To replace 20%	20% fencing replaced	N/A	N/A
Construction of new graves	Double graves built 6	Double graves built 46	Double graves built 38	N/A	N/A
Construction of new graves	Single graves built 66	Single graves built 66	Single graves built 86	N/A	N/A
Standard graves (total graves used)	374	374	412	N/A	N/A
Application of tariffs	R 283 028.87	R 71 334.34	R232 988		

Upgrading of Sports Facilities and Parks

The 2008/09 financial year saw the upgrading of sports facilities, specifically the sports facilities of Ashton, Zolani, Montagu, Van Zyl Street and McGregor and the development and upgrading of parks. The costs of all these projects were within budget from which it is evident that the budgets were realistically compiled.

Table 80: Upgrading of Sports Facilities and Parks

SPORT FIELDS	BUDGET	EXPENDITURE
Upgrading of Ashton Cricket Club	R 213 000	211 807.59
Upgrading of Sport Facilities Zolani	R 155 000	151 847.52
Upgrading of Sport Facilities Montagu	R 155 000	154 438.55
Upgrading of Sport Facilities Van Zyl Street	R 270 000	258 389.26
Upgrading of Sport Facilities McGregor	R 160 000	133 941.96
Development and Upgrading of Parks	R 430 000	380 713.25
TOTAL SPORT & RECREATION	R 1 383 000	1 291 138.13

FINANCE DEPARTMENT

This department comprises the following sections; Income, Salaries and Creditors, against which the performance of the 2008/09 financial year is reported below.

♦ Income (services, rates and credit control)

- ♦ This unit ensures that correct and accurate accounts for municipal services such as electricity, water, sewage, refuse removal and property tax are delivered and payment is collected against billing. Moreover the unit implements rigorous credit control procedures on accounts in arrears and identifies indigents.

♦ Salaries

This unit runs the payroll and provides operational support while maintaining a well run and efficient payment office that ensures timeous payment of salaries to councillors and council employees.

♦ Creditors

Issue orders, make payments to creditors and controls the budget of this department.

Challenges 2008/09

- ♦ Timeous approval of payment of invoices – invoices to be signed by the person requesting the goods and/or services and to ensure that services are rendered or that the goods are received as invoiced.
- ♦ Payments of creditors at the end of the year. Although personnel are requested to minimise orders during June, they still continue to make purchases which results in outstanding payments at the end of the year. This makes it difficult to get reporting on outstanding creditors at the end of the year.
- ♦ Problems with equipment such as the cheque printer, no direct e-mail and no fax facility, no office scanning/copy facility in the office and the shared order printer causes problems.
- ♦ The account printer is outdated which caused delays in the printing of municipal accounts.
- ♦ Meter readings are behind schedule in Montagu and Zolani.
- ♦ Difficulty in identification of indigents.

Priorities 2008/09

- ♦ To pay all creditors according to the Municipal Finance Management Act (MFMA) within 30 days of invoice/ statement date.
- ♦ To ensure that rebates are received for early payments.
- ♦ To levy accounts for all services rendered.
- ♦ To collect all consumer debt owed to the municipality.
- ♦ To levy property rates on all properties registered in the Breed River Winelands Municipal area.

Performance 2008/2009

The department has seen successes in the following:

Income

- ♦ An increase in productivity, efficiency and cost savings and a new printer for printing accounts was acquired at R 42 190.00.
- ♦ Monthly electricity and water meter readings are taken timeously. Accounts are levied around the 12th, 13th or 14th, which is an improvement from the last financial year's levying schedule of the 14th to the 17th of each month.
- ♦ Meter readings remained unchanged, and are read between the 10th and the 25th of the month.
- ♦ There are 342 pre-paid water meters, 11 982 pre-paid electricity meters, approximately 13 076 water meters and 5 133 electricity meters that were read on a monthly basis during the 2008/09 financial year.
- ♦ The accounts offices in the municipal area received approximately 12 account queries pertaining to accuracy and correctness of service accounts.
- ♦ There are 5 municipal pay points and 12 pay points at local businesses for an after hours service for pre-paid electricity and payment of accounts.
- ♦ Approximately 80,000 – 100,000 receipts are issued monthly by all pay points.

Rates

- ♦ In terms of the Municipal Property Rates Act No 6 of 2004 Properties 2004, there were two (2) interim General Valuations, in October 08 and April 09.

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- This involved the valuation of approximately 16 605 properties, which is an improvement on the 2007/08 financial year's 15 879 properties in the Breeder River Winelands Municipality.
- Annual rates accounts were levied on the 14th of July.
- The property valuations have increased from R 5 269 223,590 in 2007/08 to R 5 946 719 730 properties valuations in 2008/09. This leap is due to the valuation of the new Silverstrand Development.
- The property valuation process resulted in R25 924 823 rates being levied compared to the previous financial year's R 26 465 95 rates levied.
- During 2008/09 services levied for water, electricity, sewage and refuse removal amounted to approximately 18 500 monthly accounts at a value of R 244 681 523. This amount has increased from 18 300 accounts monthly in 2007/08 at the value of R130 381 760.
- Annual accounts were levied about 15th July each year, for payment either annually or monthly.
- Approximately 1 121 rates clearance certificates were cleared in 2008/09, compared to 1,000 rates clearance certificates in 2007/08.

Credit Control

Responsibility includes credit control measurements on outstanding accounts and identifying indigents.

- Through the debt management policy the municipality's debt recovery rate of 97.65% has exceeded the annual target of 96%, as well as the previous financial year's 95%.
- Approximately 4 656 indigents were identified during the 2008/09 financial year, compared to approximately 4 668 indigents households identified during 2007/08.:

Table 81: Indigents per town

2007/08		2008/09	
Robertson	1676	Robertson	1532
McGregor	40	McGregor	67
Ashton	1202	Ashton	1184
Bonnievale	607	Bonnievale	543
Montagu	1143	Montagu	1330
Total	4668	Total	4656

- Outstanding amounts to the value of R 3 431 147.71 owed by indigents was written off during the 2008/09 financial year, compared to approximately R 374 996.95 owed in 2007/08.
- The municipality has a 40% rebate policy on property tax for pensioners (60 years and over) with an income of <=R 2 500 per month.
- The total rebate which was calculated according to the rates policy amounted to R 6 148 342 during 2008/09, compared to the 2007/08 financial year's R 19 493 197. This huge decrease is due to changes in the tariff structure, inter alia and agricultural properties.

Table 82: Rates Rebates

REBATES	2007/08	2008/09
Rates rebates (residential, government and agricultural)	R 18 996 875	R 5 053 903
Rates rebates - pensioners	R 33 119	R 43 850
Rebates - developers	R 436 567	R 492 107
Rebates - land reform	R 26 636	R 11 264
Total	R 19 493 197.00	R 5 601 124.00

Creditors

- To ensure efficiency, all municipal creditors are paid within 30 days either by cheque or by electronic bank transfer. The 30 day turnaround time has resulted in a 1.25% to 2.5% rebate from creditors.
- The municipality issued 550 orders which is an improvement from the 500 orders in the previous financial year.
- Cheque payments have dropped from an average of 550 during the 2007/08 financial year, to 503 during 2008/09. This is representative of 39% of the monthly payments.
- Electronic transfers per month have increased from 160 in the 2007/08 financial year to 815 in 2008/09. This figure represents 61% of the total number of payments made.
- Queries regarding the late payment of invoices have dropped from ten per month in 2007/08, to three queries per month during the 2008/09 financial year.
- The roll out of the Collaborator Programme was completed and is currently being used to issue orders.

Salaries

- Salaries paid according to date schedule, are paid to approximately 631 personnel, 20 councillors and 20-50 contract workers twice a month.
- Bank transfers for the third party payments for medical aid and housing loans have improved from the 7th to the 3rd of each month.
- Processing and payment of claims for subsistence and travel to within one day.
- Approximately 700 employee's IRP5s were issued in September 2008 (2007/08 tax year) and before the end of May 2009 (2008/09 tax year) respectively.

Long term contracts

Listed below are major multi year contracts that the municipality concluded during the 2008/09 financial year:

Table 83: Indigents per town

CONTRACTOR	PROJECT	PROJECT VALUE
D Payne Waardeerders	Valuation	R 410 338.00
Metvalue	Transfer/verify valuations	R 1 118.00
Georeality	Credit control	R 92 306.00
R-Data	Financial system	R 343 515.00

Adhoc Projects

- Obtain a new printer for cheque printing.
- Obtain an additional printer for printing of orders.
- Facilitate external e-mail facility for the creditors office to receive invoices as well as handling of queries regarding invoices.
- Roll out of the Collaborator Programme to issue orders.
- Roll out of pre-paid water receipting to Ashton (2) off site pay points and bought computers and printers.
- The tender for 12 off-site pay points was advertised.
- New contract meter reader was appointed in Zolani in April (month to month).

Identification processes of indigents in 8 wards during April.

Future Plans 2009/10

- To obtain a new printer for printing cheques.
- To obtain an additional printer for printing of orders.
- Facilitate external e-mail facility for the creditor's office, so invoices as well as invoice related queries can be handled and received.
- Initiate and conclude the tender process for General Valuation for 2011 to 2015.
- Tender for meter readings for the period March 2010 – February 2013.
- In house collecting of outstanding accounts.
- Roll out the pre-paid water receipting process to the Ashton off site pay points.
- Implement all indigents of 2008/09 who did not re-apply for 2009/2012, and write-off the arrears of the indigents, as soon as they are implemented indigent.

Supply Chain Management

The department is responsible for implementing the Council's Supply Chain Policy and compliance with Section 11 of the Municipal Finance Management Act (MFMA). The key role of the department is to drive equitable economic activity in the Breeder River Winelands Municipal area through the promotion of SMME, BEE and Local Labour.

Priorities

The key priorities for the department are:

- To compile a database of all local SMMEs and BEEs.
- The procurement of goods and services from BEEs and SMMEs.
- To implement the SCM IT Programme – Collaborator.
- The implementation of the Supply Chain Policy.
- To provide supply chain process training to SMMEs and BEEs.

Performance 2008/09

The department made huge strides to drive the implementation of its identified key priorities. However, the lack of a local BEE and SMME base in the Municipal area remains the key challenge. Listed below are the performance indicators for the Supply Chain Department

during the 2008/09 financial year:

- The total procurement through BEEs was at 20.65% during 2008/09, which was well below the set target of 50%. The department missed the target due to a lack of BEE companies in specialist fields such as engineering. In future the department will encourage BEE companies through tender adverts.
- The total procurement through SMMEs was at 19.72% against a target of 50% at the end of the year. This performance is due to the small number of SMMEs with expertise in specialist sectors. The department will encourage joint ventures between main stream companies and SMMEs.
- Approximately 70% of the local SMME's and BEE's database was completed. The department does not have a permanent basis and is in the process of employing a database clerk. The Supply Chain Management IT Programme Collaborator was implemented 100%.
- The department managed to implement 90% of the Supply Chain Policy, which is in line with the set target.
- The department provided two supply chain process training sessions to SMMEs and BEEs against the set target of four sessions.

Future Plans 2009/10

Future plans include:

- Recruitment of personnel in the department.
- Training for local SMMEs and BEEs companies.
- Training and development of the department for service delivery.

Information and Communication Technology (ICT)

The Information and Communication Technology unit is responsible for the maintenance of all servers, computers, printers and communication networks for the Breeder River Winelands Municipality.

Priorities

- To provide software application support for end-users.
- To provide effective management of the Breeder River Winelands Municipal technical resources through resource tracking.
- To provide an efficient, secure, and reliable network

infrastructure that supports data and/or voice requirements for the Breede River Winelands Municipal service delivery initiatives.

Performance 2008/09

Despite a shortage of experienced personnel in the department, the following was achieved:

- Providing application support, which meant 100% of the 220 end-users in the Municipality were provided with remote and on-site support.
- The tender process for the Disaster Recovery System was completed as planned ahead of 30th June 2009.
- To facilitate technology planning and management, an assessment of the Intranet bandwidth and infrastructure was conducted in collaboration with Telkom.
- An IT audit was conducted and completed by an external company to ensure network and security support.

Future Plans and Priorities

- The department will appoint a second technician to ensure that the hardware, software and the network are maintained promptly.

IT infrastructure purchases

The department had an annual budget allocation of R 1 009 000.00 from which the following IT purchases were made:

Table 84: IT infrastructure purchases

IT PURCHASES TYPE	SPENT
Printer	R 484,787.57
Software	R 32,189.00
Computer	R 236,241.28
Total budget	R 753,217.85

Future Plans

- To finalise the implementation of the Full Disaster Recovery system.
- To implement the Disaster Recovery System for the pre-paid/redundancy system.

Finance: Budget And Support Services

Breede River Winelands Municipality's long-term

sustainability hinges on sound financial management practices and compliance with the Municipal Finance Management Act (2003). These financial practices that underpin the municipality's process of effective municipal financial management are, planning and budgeting, revenue and expenditure management, reporting and oversight. In the past two financial years the municipality has achieved unqualified audits and compiled its financial statement in the new Generally Recognised Accounting Practice (GRAP) Format.

Functions of the Budget Office

The department is responsible for:

- The compilation of the budget.
- Determination of tariffs.
- Compilation of the Annual Financial Statements.
- Financial reporting in terms of the MFMA and other legislation.
- Asset management.
- Investment of funds.

Challenges 2008/09

The implementation of existing and the new GRAP standards remains a challenge for the municipality.

Priorities 2008/09

- Submitting financial statements compliant with MFMA and GRAP.
- Compiling a medium term budget for 2010/11.
- Determining tariffs in terms of the tariff policy for approval by Council.
- Submitting financial reports in terms of MFMA.
- Implementing measures to ensure an unqualified audit report.
- Verification of the Asset Register with the General Ledger.
- Finalisation of insurance claims in terms of insurance contract.
- To carry out monthly bank reconciliations.
- Investment of funds in terms of the investment policy.

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Table 85: Budget Office Scorecard

KEY PERFORMANCE AREAS	BASELINE 2007/08	TARGET 2008/09	
Compiling financial statements complying with MFMA and GRAP	31st August 2007	31st August 2008	
Compiling a medium term budget for 2009/10	18th March 2008	31st March 2009	
Determination of tariffs for approval by Council	1st approval 27th May 2008 2nd approval 30th June 2008	31st May 2009	
Submission of financial reports in terms of MFMA	Within 10 working days of month end	Within 10 working days of month end	
Implement measures to ensure an unqualified audit report	Unqualified audit report	Unqualified audit report	
Verification of the Asset Register with the General Ledger	Asset Register = General Ledger	Asset Register = General Ledger	
Perform a physical asset count whereby all movable assets are scanned and compared with the asset register	1st March 2008 – 16th May 2008	1st January 2009 – 30th April 2009	
Discrepancies found	R 32 521		
Finalisation of insurance claims in terms of insurance contract.	No late claims 47 claims to the total value R1 248 029	No late claims	
Monthly Bank Reconciliations	Average within 20 working days of month end.	Within 12 working days of month end.	
Investment of funds			
Value of Cash and Cash Equivalents at year end	R 68 669 312	R 80 000 000	
Interest Earned for year.	R 8 746 970	R 12 406 597	



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	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
	31st August 2008		
	24th March 2009		
	1st approval 22nd May 2009 2nd approval 30th June 2009	The late application for tariff increases to NERSA by Eskom resulted in the need for late tariff adjustments.	The problem was addressed with Provincial Officials during the LGMTEC process.
	Within 10 working days of month end		
	Unqualified audit report through budget control, correct journal entries, capturing all new assets and bar coding of all movable assets and reconcile financial information in the annual financial statements.		
	Asset Register = General Ledger		
	21st January 2009 – 3rd April 2009		
	R 13 015		
	No late claims 61 claims total value R 2 556 897	Increase in claims is as a result of the floods during the period 11 to 13 November 2008	
	Average within 15 working days of month end.	The position of clerk: bank reconciliations were vacant for a number of months	The position has been filled.
	R 93 223 223		
	R 10 786 516	Available cash more than expected. Interest rate increases	



MUNICIPAL MANAGER'S OFFICE

Local Economic Development (LED)

The department is responsible for developing and implementing programs and projects that promote sustainable livelihoods, poverty alleviation and economic development opportunities for all citizens in the Breeder River Winelands Municipality.

Against this backdrop, the department facilitates the economic activities of the municipality with a primary focus on skills development, increasing trade and investment, Black Economic Empowerment (BEE), supporting small businesses enterprises and sourcing funding for entrepreneurs. All these activities improve the participation of youth, companies run by women and the physically challenged in the main stream.

The department achieves economic development for the municipality through tourism, rural development, land reform and other special projects. During 2008/09, the department focused on a number of priorities.

Priorities 2008/09

- To establish community bakeries.
- Facilitating the approval of seed funding applications.
- To create employment opportunities.

Performance 2008/09

Funding to the amount of R 896 100 against the target of R 113million for sustainable livelihoods or poverty alleviation project was received from provincial department of Social Development.

The funding for the garment making business plan was not approved.

The target to renovate and establish two community bakeries in Nkqubela and McGregor was achieved on the 22nd November 2008.

SMME development was facilitated through the approval of seed funding applications for the following businesses:

- Babalwa's B&B - Nkqubela
- Scheepers' Car Wash - Ashton
- Yvonne's Catering - Ashton
- Omega International Events - Robertson
- Naomi Services - McGregor
- Nigel Keith Printing - Ashton
- Roseline's B&B - Bonnievale
- Umhlobo & Fun Adventure Tours - Robertson
- Lingeletu Cash Store - Nkqubela
- Van Ensland Catering - Robertson
- Zolani B&B - Zolani

Seven training programmes were implemented: in snail harvesting, bakery and confectionary training, jam and pickled vegetable manufacturing, as well as in tendering and business skills.

Table 86: Beneficiaries trained

TRAINING PROGRAMME	BENEFICIARIES
Ashton business training	12
Tourism development	10
Seda business training	12
Bakery training	13
Jam and chutney	11
Snail harvesting	13
Total	71

The township cleaning programme interventions created temporary employment for a total of 376 unemployed persons of which 166 are female and 210 male.

The bakery renovations created temporary employment for 11 males and 2 females.

The department succeeded in attracting R 10 million for capital grant and R 2 million for technical assistance for neighbourhood development.

Future Plans 2009/10

- Removal of alien vegetation in rivers.
- Rehabilitation of rivers in the area.
- Develop an SMME development and mentoring programme.

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- Implement a neighbourhood development programme in targeted areas.
- These projects will be aimed at, and train and equip the unemployed in the Breede River Winelands Municipality area.

Tourism

In 2006, the Western Cape tourism sector contributed 9.8% to the regional GDP and more than 150,000 people, approximately 10% of the labour market, are employed in the tourism sector in the Western Cape. In 2007, the province received R2.9b in Total Foreign Direct Spend which increased to R4.5b in 2008, depicting a 55.17% increase.

Tourism plays a crucial role in the economic development of the Western Cape and Breede River Winelands Municipality. In recognition of this, additional efforts are being made by the municipality to further develop the local economy through tourism. Tourism as a sector has the potential to create social cohesion by adding to the development of vibrant social spaces within the municipality and promoting local participation in the environmental economy.

Performance 2008/09

To bolster tourism efforts within the municipality, in an effort to gain maximum returns, which will in turn benefit the communities of the Breede River Winelands Municipality, the following steps were taken.

The municipality outsourced the tourism function and Heart of Route 62, with the following functions:

- Tourism transformation.
- Tourism development.
- Tourism marketing.

Heart of Route 62 is the overarching Local Tourism Organisation (LTO) and was also responsible for the effective functioning of the Local Tourism Associations (LTA) which represents tourism in each town.

These are:

- Bonnievale Tourism Association.
- McGregor Tourism Association.
- Montagu/Ashton Tourism Association.
- Robertson Tourism Association.

An Executive Committee was comprised of the following:

- Two business members from each LTA.
- Two representatives from Robertson Wine Valley.
- One emerging business member from each LTA.
- One municipal councillor.
- One municipal official.

Heart of Route 62 has a Day Management Committee responsible for the day-to-day management of the entity. The committee is made up of:

- A Chairman of the Executive Committee.
- One representative from Robertson Wine Valley.
- One representative from each LTA.
- One municipal representative.

Achievements of the entity during the 2008/09 financial year were:

- Marketing of Heart of Route 62.
- Tourism awareness workshops.
- Media educational tours with visiting journalists.
- Assisted community projects.
- Delegates attended the tourism Indaba.
- Distribution of marketing material.

Council resolved to withdraw all funding from Heart of Route 62 as of 28th February 2009.



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Table 87: Tourism Scorecard

KEY PERFORMANCE AREAS	BASELINE 2007/08	TARGET 2008/09	
Develop and distribute suitable marketing material.	No marketing material was developed or distributed.	To develop one brochure for the whole Municipal area. Budget R 400 000.00 Contents to include emerging tourism initiatives and build on existing contents.	
Provide training to emerging tourism entrepreneurs.	No training was provided.	To provide tourism awareness workshops to 50 (five per ward) emerging tourism businesses.	
Establish a comprehensive photographic library.	No photographic material available	To provide a library of photographic material to assist in designing brochures and other marketing material R 32 000.00	
Support local events that truly market the area.	Minimal support was given to the Wacky Wine Weekend.	Support the Wacky Wine Weekend by encouraging local communities to participating in street theatre. R 100 000.00 (R 240 000.00)	
Establish "Tourism Kiosks" at strategic venues	Nil	Establish 15 tourism kiosks. R150 000.00 By 30 June 2009	
Vigorously market the municipal area as a preferred tourism destination.	Very little marketing was done	Start Community Radio Station R 200 000.00	
Attend local, district and provincial tourism meetings	Local and district meetings were attended.	To attend the LTA and district tourism meetings on a monthly basis.	
Number of tourist visitors in the municipal areas	No information	The number of visitors are difficult to determine as only those visiting LTA's are sometimes registered	
Revenue created	No information and difficult to determine as they are private establishments	Cannot be determined	
Jobs created through tourism	No information	Difficult to determine as the establishments are unwilling to provide the necessary data	



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	ACTUAL 2008/09	REASON FOR VARIANCE (NEGATIVE)	CORRECTIVE ACTION
	40 000 brochures printed and others designed but not yet printed. Further printing for the Wacky Wine Weekend R 180 732.80	The decision to render the tourism function 'in-house' was only taken at the end of February 2009 - therefore only 4 months to execute objectives.	Better planning for the 2009/10 financial year
	70 entrepreneurs attended a tourism awareness workshop.	Additional interest was shown.	N/A
	A comprehensive range of photographs were taken in June 2009. This includes landscapes, buildings, people, activities and products from the area R 26 640.00	Photographs were cheaper than envisaged	Continue to update photographic library
	Ten local choirs, community groups, steel band and hip-hop groups participated and were remunerated for their performance. R 60 000 was donated to the Wacky Wine Weekend	R 60 000.00 donation, R 15 750.00 remuneration, R 1 500.00 sound system, R 2 650.00 transport, R 1 600.75 clothing, R 41.04 miscellaneous, R 240 000.00 Local Tourism Associations	N/A
	Ten brochure stands were made. R19712.00	Time frame did not allow the establishment of additional kiosks	More effective planning for 2009/10
	Joined Valley FM for community radio station R 200 000.00 to extend transmission to BRWM area	N/A	N/A
	12 monthly meetings were attended	All local and district meetings attended	Continue to attend local and district meetings
	A suitable system needs to be initiated to extract this information		
	A suitable system needs to be initiated to extract this information		



Executive Support Services

The primary responsibility of the department is to facilitate the development and implementation of the Integrated Development Plan (IDP) and the Performance Management (PM). The department has to ensure that the Integrated Development Plan (IDP), the Service Delivery Integrated Development Plan (SDBIP), and the budget, are well aligned and that all legislations and policies relevant to the above-mentioned instruments are complied with. In so doing, the department facilitates the expedient identification of community needs, which must be prioritised accordingly and incorporated into the IDP.

Secondary to this role, the department drives and manages corporate communication, intergovernmental relations, international relations and professional services. Due to the nature of the functions the department operates on a modest budget of R 455 000.00.

Priorities 2008/09

- Development of a municipal website.
- Conduct a comprehensive community satisfaction survey.
- Complete the Identity Document project.

Challenges 2008/09

- The municipality does not have an intranet system.
- Difficulty in uploading information.
- Lack of capacity in implementing Section 57 performance management system.
- Effective communication with communities.

Performance 2007/08

- Both the IDP and the SDBIP were completed within the statutory timeline.
- Section 57 performance agreements were concluded on 14th August, thereby missing the statutory deadline of 31st July 2008. The delay was as a result of capacity constraints within the municipality. Section 57 Employment contracts were concluded within the prescribed deadline.
- The public participation process was facilitated to obtain the community needs towards the drafting of the IDP and Budget.

Table 88. Public participation meetings

DATE OF MEETING	WARD	VENUE	DIRECTOR RESPONSIBLE
25th March 2009	9	Barnardsaal, Ashron	Director Corporate Services
26th March 2009	6 & 7	Wilhelm Thyslaansaal, Montagu	Director Community Services
30th March 2009	5	Ou Gym, McGregor	Director Corporate Services and the Chief Financial Officer (CFO)
1st April 2009	8	Chris van Zylsaal, Bonnievale	Director Infrastructure Development
2nd April 2009	4	Happy Valley Gemeenskapsaal, Bonnievale	Director Infrastructure Development
6th April 2009	1 & 3	Gemeenskapsaal, Droë Heuwel, Robertson	Chief Financial Officer (CFO)
7th April 2009	2	Nkqubela Gemeenskapsaal, Robertson	Municipal Manager
8th April 2009	10	Zolani Gemeenskapsaal, Ashton	Municipal Manager

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- Communities were given feedback on the progress of their ward projects through the ward committee meetings.
- Integrated Development Planning forum with Cape Winelands District Municipality in November 2008 and February 2009.
- The municipality participated in the District Disaster Management Forum.
- Twinning agreement with Rheeden Municipality in the Netherlands was established and focused on Activity Based Costing exchange programme within Waste Management and technical exchange on GAP Housing.
- The University of Utrecht visited Breederiver Winelands Municipality to provide support in the Waste Management department.
- As a performance monitoring mechanism three out of the three quarterly evaluations of Section 57 were conducted in October 2008, February 2009 and May 2009.
- For evaluating the final performance of Section 57, a performance evaluation committee was formed in July 2008 and the performance was assessed in September 2008.
- The municipality's annual report was compiled and tabled at the Council in January 2009.
- Assessment of corporate performance, (Have you missed something out here?) organisational scorecard, derived from the service delivery budget and implementation plan and progress on delivery assessed quarterly reported to the Council.
- The Breederiver Winelands Municipality, in collaboration with the Independent Electoral Commission and Department of local government and housing, hosted an Identity Document Campaign to provide people with free ID and birth certificates. Throughout the Breederiver Winelands Municipal area, more than 1 800 people were assisted with various home affairs services, mostly identity documents.
- A first draft of the website was developed and previewed on the 31st May 2009, well in advance of the 30th June 2009 target.

Table 89: Applications for various home affairs functions per town.

ASHTON	NUMBER OF APPLICATIONS	ROBERTSON	NUMBER OF APPLICATIONS
1st Identity Document	254	1st Identity Document	315
McGregor 1st applications	124	2nd Identity Document	213
		Birth Certificates	49
		Late Registration	17
		Certificates	17
		Passport	1
		Re-applications	1
Total	419	Total	613

MONTAGU	NUMBER OF APPLICATIONS	BONNIEVALE	NUMBER OF APPLICATIONS
1st Identity Document	164	1st Identity Document	168
2nd Identity Document	166	2nd Identity Document	119
Birth Certificates	24	Birth Certificates	25
Late Registration	4	Late Registration	30
Certificates	10	Certificates	6
		Re-applications	1
Total	368		349

**Table 90: Identity Documents Distribution:
February 2009**

TOWN	NO OF IDENTITY DOCUMENTS DELIVERED
Montagu	259
Bonnievale	281
Ashton	306
McGregor	86
Robertson	355
Total	1 287

Future Plans 2009/10

- Appoint a consultant to assist with organisational performance.
- Develop the Section 57 Performance Agreement before the statutory deadline.
- Build capacity to compile the annual information for the annual report.
- Development of promotional material – under the new name of the municipality.

Client Services

This department is responsible for managing and co-ordinating Client Services which includes the 24-Hour Customer Call Centre, within the Breede River Winelands Municipality. The aim is to improve the customer loyalty and client services within the Breede River Winelands Municipal area, by placing people at the centre of development. (Client Service Charter).

Another initiative is to drive and underpin the development and implementation of a Customer Care Information Desk, which will form part of the corporate governance principles and The Batho Pele White Paper for transforming Public Service Delivery.

Functions of the department are

- To render an inquiry and complaints service to the community of the Breede River Winelands Municipality in terms of an information desk through the Customer Care Management (CCM) System.
- To manage stakeholder relations for effective and smooth service delivery.

Priorities: 2008/09

- To highlight and strengthen the importance of operating a customer care information desk in all five towns within the Breede River Winelands Municipal area. This initiative and type of services within the municipality will assist each department in speeding up and improving on service delivery on a continuous basis.
- To ensure effective functioning at the 24-Hour Call Centre.
- To ensure that effective and efficient client handling systems are in place.

Client Service Managers

Function

The Client Service Manager positions have been on the staff establishment since 2004. Since then, the functions of these positions have been extended because of changing needs and circumstances. With the implementation of Ward Committees, the duties of these managers were further extended to include assistance with administration. The Client Services Managers also filled the position of Secretariat to their respective Ward Committees, which, amongst others things incorporate the following:

- Compilation and circulation of Notices to Ward Committee Members.
- Compilation (in consultation with the Ward Councillor) and circulation of Agendas to Committee Members.
- Responsibility for managing the attendance registers during ward committee meetings.
- Taking minutes at ward committee meetings which were to be submitted to the Manager: Ward Committees and Client Services, within 7 days after the meetings were held for further processing. (Internal memos to be sent to the relevant departments for addressing complaints, enquiries, needs etc).
- Responsible for follow-ups, monitoring of all complaints, queries and any additional needs.
- The processing of feedback from the Manager: Ward Committees and Client Services and Speaker in terms of Ward Committee meetings.
- Give guidance and advice with regards to meeting procedures.

- Responsible for logistic arrangements in respect of community meetings.

The community and general public from the various towns within the Breede River Winelands Municipality makes regular use on a daily basis, of the service points and or offices. A further benefit of the client services managers are that when a complaint is received and a site inspection needs to be carried out, they are resourceful in all towns.

Client Services Managers are responsible for the operation of the CCM system in each town, as well as for the training of the relevant personnel who need to work on the system.

Further functions of the Client Services Managers:

- To render an inquiry and information service to the public in terms of an information desk, regarding CCM.
- To assist the Manager, Ward Committees and Client Services with the complaint management system and other ad-hoc functions.
- Render client service functions in allocated area.
- Render administrative support services like reporting, doing correspondence and organising meetings and render general secretarial services to the ward committees.

Performance 2008/09

Between January and April 2009, Client Services Managers submitted daily reports on the status of service delivery in their respective wards. They also monitored the implementation of service delivery activities and inspected and monitored progress on all projects listed in the relevant Service Delivery and Budget Implementation Plan (SDBIP) for their respective areas. This was to keep the Municipal Manager and Executive Management Team (EMT) informed of the standards of service delivery throughout the municipal area.

24-Hour Emergency and Customer Call Centre

The Call Centre has now been in operation for more than a year with four Call Centre Operators on a 24-hour shift system and is located at the Fire Department. To make the client services function more user friendly, the centre deals with general enquiries and complaints, essentially

during after-hours, which fall between 16h30 and 08h00 on public holidays and over weekends. The functioning of the Call Centre is gaining momentum as a result of marketing and very good feedback from the public. It is making a great contribution to community liaison and building a good image for the Municipality.

Four Call Centre Operators were appointed on a contract basis and a total number of 623 complaints were received by telephone and dealt with during the 2008/09 financial year. When a departmental complaint is received, the relevant department or directorate is informed immediately and attends to the query.

The municipality appointed the Batho Pele co-ordinator who is responsible for cascading the Batho Pele Principles to all staff members of the Breede River Winelands Municipality as part of an ongoing revitalisation of the campaign.

Motivated officials (especially the customer care officials) go beyond their call of duty and promote the slogan: *'Together beating the drum for service delivery.'*

New employees are inducted on the Batho Pele Principles.

Customer Satisfaction Surveys

To demonstrate the municipality's commitment to service excellence and quality service delivery, a follow-up Client Satisfaction Survey report was done and served before the Council. The preliminary results of the survey indicate that most of the clients are satisfied with the services received and some of the preliminary overall results indicate that:

- 69% of clients are of the opinion that the reception areas in the municipality are clean, neat and tidy, compared to 1% of clients that are of the opinion that the reception areas are not clean, neat or tidy.
- 63% of clients are of the opinion that the staff are knowledgeable and competent, compared to 5% of clients who are of the opinion that the staff are not knowledgeable or competent.

65% of clients are of the opinion that they were treated with courtesy and respect, while 5% of clients are of the opinion that they were not treated with courtesy or respect.

+ 64% of clients are satisfied with the overall services of the municipality, while 9% of clients are not satisfied.

Customer Care Management Analysis

The customer care department conducted an ongoing monthly analysis from which it draws a list of the top ten complaints per department, ward and town. Based on the identification of the top ten complaints per month, it gives an indication as to where to focus on problem areas in each ward.

Table 91: Below is a summary of the total number of complaints received via CCM-System

TOTAL NUMBER OF COMPLAINTS RECEIVED OVER THREE YEAR PERIOD		
2006/2007	2007/2008	2008/2009
5 155	6 135	5 497

Below is a graph of the top 10 complaints analysis per half year for the period:

Figure 26: Top 10 Complaints: Analysis: Complaints per half-year for the period:
1st July 2008 to 31st December 2008

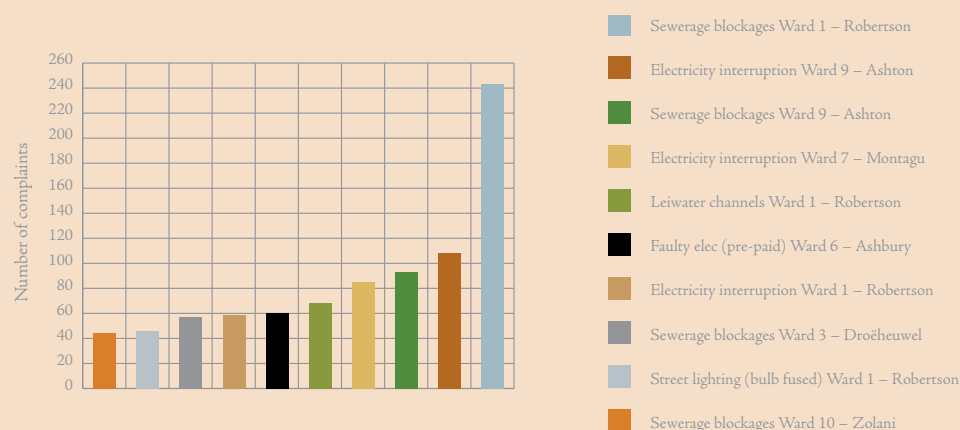
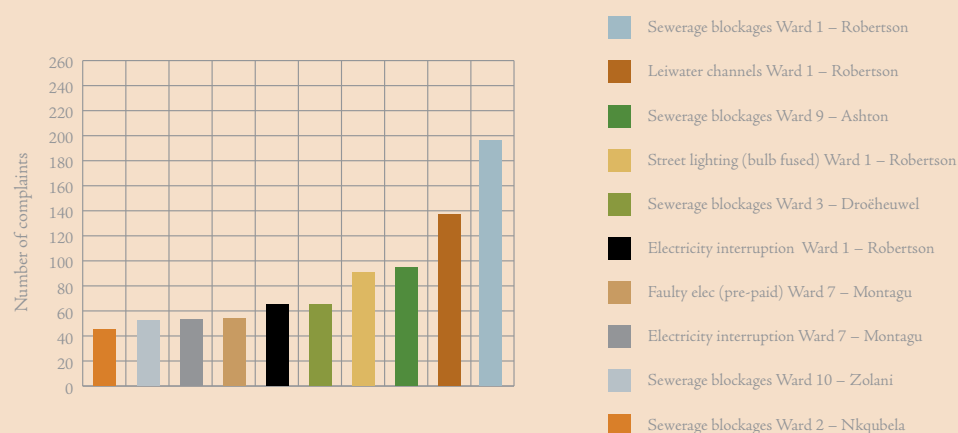


Figure 27: Top 10 Complaints: Analysis: Complaints per half-year for the period:
1st January 2009 to 30th June 2009



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Customer Care Management: Analyses per Financial Year

Table 92: Below is a brief summary of the total number of completed and uncompleted complaints.

FINANCIAL YEAR	TOTAL % OF COMPLAINTS RECEIVED	TOTAL % OF COMPLAINTS PENDING	TOTAL NUMBER OF COMPLAINTS RECEIVED
2006/07	4 972 (96%)	181 (4%)	5 153
2007/08	4 797 (78%)	1 320 (22%)	6 117
2008/09	3 808 (75%)	1 261 (25%)	5 069

KPA	THE DEVELOPMENT OF THE ADMINISTRATION IN SUPPORT OF SERVICE DELIVERY			
KPI'S	PROJECT	TARGET	OUTPUT	PROOF OF DELIVERY
	Batho Pele Training (Ensuring People First)	60%	Report on results. Enhanced service delivery.	2-Day Batho Pele Train the Trainer Programme (19th – 20th February 2009)
	Reduction in number of complaints	10%	8%	Report on results
	Increase in response time of complaints	100%	90%	Report on results
	Increase in resolution of complaints	80%	75%	Report on results

KPA	MANAGE STAKEHOLDER RELATIONS FOR EFFECTIVE SERVICE DELIVERY			
KPI'S	PROJECT	TARGET	OUTPUT	PROOF OF DELIVERY
	Conduct Customer Services Surveys	1	Questionnaires	Report
KPA	DELIVERY OF QUALITY FIRE FIGHTING AND DISASTER MANAGEMENT SERVICES			
KPI	Effective functioning of the 24-Hour Call Centre	1	Established: Tel No 086 088 1111	Telephone Appointment of 4 permanent Call Centre Operators

Intergovernmental Relations

Co-ordinating and administrative assistance was given to the intergovernmental activities mentioned below in terms of improving service delivery.

- Home Affairs: ID Distribution Campaign, February 2009.
- IEC: Re-election process of Ward Committees.
- Department of the Premier: 3 day Batho Pele Workshop, a Train the Trainer Workshop.

Best Practices

- Cape Winelands District Municipality expressed an interest in using the Breede River Winelands Municipality's Public Participation Report as a case study for the Western Cape.
- Dplg decided to use the current practices and experiences (Public Participation Report and the Client Services Report) gained by Breede River Winelands Municipality as one of the case modelling municipalities, in their attempts to put together a National Public Participation Framework.

- GTZ are also interested in the Customer Care Management System for implementation at various other municipalities in the Western Cape.

Adhoc projects

Listed below are some of the functions the department had to perform, which were not part of the original approved business plan.

- Determined terms of reference regarding an Internal Customer Satisfaction Index to be performed by an external consultant.
- Telkom Teltrace Office 32 Software (Opticon IP 32 Rental) has been installed at the 24-Hour Call Centre as from June 2009. All users at the Call Centre now have individual telephone codes. This is to ensure better control and monitoring of outgoing telephone calls, made by the four Call Centre Operators and the firemen.
- Negotiated with the Breede River Gazette (local newspaper) to co-ordinate the distribution of the said paper in Montagu and Robertson.

Future plans

In the next financial year the department will focus on the following areas:

- Empowerment of Call Centre Operators.
- Marketing + Branding: 24-Hour Call Centre.
- Appointment of an additional four call centre operators.

Ward Committees

This department is responsible for managing and co-ordinating Ward Committees within the Breede River Winelands Municipality. Their aim is to strengthen public participatory governance and customer service, within the Breede River Winelands Municipal area.

- The functions of the department are as follows:
- To render the managerial support service to the Office of the Speaker.
- To render an inquiry and complaints service to the community of the Breede River Winelands Municipality.
- To manage and effectuate an effective Participatory Ward Committee System.
- To assist in smooth service delivery and enhance public

participation activities by the CDW's.

- Priorities for the 2008/09 financial year were to establish and ensure proper functioning of ward committees and to establish and ensure that the appropriate systems are in place to enhance public participation.

Status and Functionality

The Breede River Winelands Municipality is performing very well with regards to the functioning of Ward Committees and the Public Participation processes. To substantiate this, a status quo report was submitted to the Cape Winelands District Municipality, as well as to the Department of Provincial and Local Government. All 10 Ward Committees have been established in the Breede River Winelands Municipal area and are fully functional and operational.

Attendance at Ward Committee Meetings

- Ward Committee meetings are monitored on a regular basis by the Speaker and the Manager: Client Services and Ward Committees.
- An attendance register forms part of the Ward Committee agenda. (Payout of Out of Pocket Allowances).
- Compilation of the minutes of meetings to be handed in at the Office of the Speaker within seven days after meetings were held for further processing by the Manager: Client Services and Ward Committees.
- Internal memos are sent to the relevant departments and feedback on minutes is submitted per letter to the Ward Councillors.
- Ward Committee meetings are scheduled on a monthly basis and Special Meetings occur as requested by ward councillors. A total number of 57 ward committee meetings were held during the 2008/09 financial year.
- Ward Based Community meetings (for purposes of reporting back) are scheduled on a quarterly basis. A total number of 10 ward community meetings were held during the 2008/09 financial year.

Ward Based Capital Projects

All ten wards were requested to submit their proposals for their Ward Based Capital Projects within the 2008/09 financial year, pertaining to an

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amount of R 500 000.00 that has been made available in the 2008/09 Operating Budget. An additional amount of R 90 000.00 was received from Dplg for utilisation within the wards. This amounts to R 59 000.00 per ward. (R 500 000.00 + R 90 000.00 = R 590 000.00 ÷ 10 Wards = R 59 000.00 per ward).

The prioritised ward based capital projects during the 2008/09 financial year are as follows:

Table 93: Ward base capital projects

WARD	PROJECT	BUDGET
1	Erection of a new play park in Alberta Street, Môreson	R 59 000.00
2	Office for Ward Councillor/Ward Committee	R 59 000.00
3	Upgrading of an existing play park in Dorpsig	R 59 000.00
4	Upgrading and fencing of an existing play park in Leeubekkie Street, Happy Valley	R 59 222.00
5	Erection of braai stands and toilet facilities at the town entrance	R 60 900.00
6	Erection of a new play park in Ashbury, Cedar Avenue	R 70 000.00
7	Upgrading and fencing of an existing play park in Du Preez Street	R 65 000.00
8	Erection of near benches and refuse bins in Bonnievale Main Road	R 63 850.00
9	Grant in Aid to Silver Threads Association in Ashton for building a (service centre) for elderly people over weekends	R 59 000.00
10	Erection of an arts and crafts centre along the R60 Road	R 59 000.00

Municipal Imbizo's

Review of Integrated Development Plan (IDP/Budget Imbizo): 2009/10

The council has accepted an IDP/Budget Interaction plan for the review of the IDP/Budget for the financial period 2009/10. In order to give all role players, especially the 10 Ward Committees and the residents of all the wards and all sectors in the municipal area the opportunity to make contributions with regards to developmental needs, a series of meetings were planned on the following scheduled dates. All the individual organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings. Notice in terms of a municipal advertisement was placed in the local newspapers.

Table 94: Municipal Imbizos

WARD	WARD COUNCILOR	AREA	DATE		TIME	VENUE
1 & 3	Cllrs J. D. Burger and Cllr M. Carelse-Snyman	Robertson	Monday	6th October 2008	19h00	Robertson Community Hall
2	Cllr S. W. Nyamana	Nkqubela	Tuesday	7th October 2008	18h00	Nkqubela Community Hall
4	Cllr E. Vollenhoven	Bonnievale	Wednesday	8th October 2008	19h00	Happy Valley Community Hall
5	Cllr G. Fielies	McGregor/Rooiberg	Thursday	9th October 2008	19h00	VGK Church Hall
6 & 7	Cllr M. W. H. du Preez and Cllr J. Thomson	Montagu	Monday	13th October 2008	19h00	Montagu Community Hall
8	Cllr S. W. van Eeden	Bonnievale	Tuesday	14th October 2008	19h00	Chris van Zyl Hall
9	Cllr J. Adams	Ashton	Wednesday	15th October 2008	19h00	Barnard Hall
10	Cllr K. Klaas	Zolani	Thursday	16th October 2008	18h00	Zolani Community Hall

Budget Imbizo: 2009/10

During March/April 2009 information meetings in all 10 wards were held. CDWs assisted in the distribution of flyers and loud hailing with the Traffic Department in all 10 wards. All the interested organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings per ward.

Table 95: Budget Imbizo

DATE OF MEETING	WARD	VENUE	TIME	DIRECTOR RESPONSIBLE
25th March 2009	9	Barnardsaal, Ashton	19h00	Director Corporate Services
26th March 2009	6 and 7	Wilhelm Thyslaansaal, Montagu	19h00	Director Community Services
30th March 2009	5	Ou Gym, McGregor	19h00	Director Corporate Services and the Chief Financial Officer (CFO)
1st April 2009	8	Chris van Zylsaal, Bonnievale	19h00	Director Infrastructure Development
2nd April 2009	4	Happy Valley Gemeenskapsaal, Bonnievale	19h00	Director Infrastructure Development
6th April 2009	1 and 3	Gemeenskapsaal, Droë Heuwel, Robertson	19h00	Chief Financial Officer (CFO)
7th April 2009	2	Nkqubela Gemeenskapsaal, Robertson	19h00	Municipal Manager
8th April 2009	10	Zolani Gemeenskapsaal, Ashton	19h00	Municipal Manager

Financial Support: Ward Committees

Ward committees are functioning in terms of an approved budget with specific reference to transport, refreshments, stationary, furniture and other office equipment such as computers, printers, memory sticks, etc).

An out of pocket allowance was given to ward committee members for attending ward committee meetings:

Urban Committee Members received R 100.00

Rural Committee Members received R 150.00

An additional R 100.00 was paid to the person who provided refreshments.

Pertaining to the National Framework Guidelines, the existing 'out of pocket allowance' of R 100.00 per urban committee member and R 150.00 per rural committee member for attending Ward Committee meetings was adjusted to R 250.00 per urban and rural committee member during the Council decision in May 2009. The additional R 100.00 per ward committee meeting for refreshments was terminated, but coffee and tea was still provided by the Municipality.

MSIG Grants

R 500 000.00 (2006/07: R 350 000.00) (2008/09: R 150 000.00)

At the end of 2006/07 financial year an amount of R 323.896.02 was rolled over to the 2007/08 financial year. During 2007/2008 no MSIG Grants were received. By the end of the 2007/08 financial year an amount of R 242.178.87 was rolled over to the 2008/09 financial year.

MSIG Grants to the amount of R 150 000.00 were received during the 2008/09 financial year.

Ward Committee Re-Election Process

Ward Committees were established in March 2006. In terms of the Council's policy, the term of office is as follows:

Par. 15 (1) *"Members of a Ward Committee are elected for a period of no less and no longer than two years."*

(2) *"Members may only serve for two consecutive terms, where-after at least one term of two years should pass before such member is eligible to participate in a ward election and be elected on such Ward Committee."*

The National Guidelines for the Establishment and Operation of Municipal Ward Committees prescribe a specific term of office, i.e.:

"Term of Office"

13 (1) *Members of a ward committee are elected for a term determined by the local council.*

(2) *It is recommended that the members of a ward committee are elected for a period of no less than 2 years and no longer than 3 years.*

(3) *It is further recommended that a municipality apply the same term of office with regards to all its ward committees."*

Our first re-election of the Ward Committee process took place during June/July 2008 in collaboration with the Independent Electoral Commission (IEC). The IEC will use Breede River Winelands Municipality's Re-Election process as a 'Blueprint' for the Western Cape.

Ward Committee Handbooks (National Guidelines) – Department of Provincial and Local Government (DPLG)

All Ward Councillors and Ward Committee Members were provided with a Ward Committee Handbook. This handbook is the result of a number of programmes and activities undertaken by the Department of Provincial and Local Government (Dplg), the Australia South African Local Governance Partnership (ASALGP) and the German Agency for Technical Cooperation (GTZ) which aim to enhance participatory democracy and good governance in South African municipalities.

Ward Committee Gala Evening: December 2008

During the re-election process, newly appointed Ward

Committees Members were elected. A Ward Committee Gala Evening was held during December 2008.

- Branded Clothing (golf T-shirts, weatherproof jackets, and black shoulder bags) were presented to all ward committee members according to their clothing size.
- A Code of Conduct for Ward Committee Councillors and members was signed.
- The evening was sponsored by Cape Winelands District Municipality, GTZ, Dplg (Public Participation and Local Governance) and ABSA Bank.
- Local Sponsors were: Graham Beck Wines, KWV, Montagu Foods, Langeberd and Ashton Foods, Van Loveren Winery.

Community development workers (CDWS)

Role of the CDW

The Breede River Winelands Municipality has embraced the use of effective CDWs to strengthen participative democracy in the Municipality.

These are some of the Key Performance Areas (KPA's) for CDWs:

- Community profile to be compiled for the Breede River Winelands Municipality.
- Provide assistance to Ward Committee activities.
- Provide assistance during Community meetings.
- Provide assistance to Ward Committee elections.
- Provide assistance during Ward Based Planning.
- Communicate municipal and government projects in communities.
- Co-ordinate for communities to develop and submit proposals for inclusion in the IDP and other government plans.
- Co-ordinate inter-governmental and inter-departmental programmes.
- Maintain communication with Community Based Organisations (CBOs).
- Inform the communities of problems with service delivery.
- Provide assistance with the implementation of community projects.
- Monitoring and reporting back on community projects.
- Act as resourceful and dedicated public servants (Customer Services).

Table 96: CDW and Respective Wards

NAME OF CDW	RESPECTIVE WARD	TOWN/AREA
Ms Octavia Liemens	Wards 1,2,3	Nkqubela and Robertson
Mr Pieter Kortje	Ward 4	Happy Valley, Bonnievale
Mr Johannes Jansen	Ward 5	McGregor
Ms Charmain Swanepoel	Wards 6, 7	Ashbury and Montagu
Ms Lindiwe Kahla	Ward 8	Bonnievale
Ms Lucreatia Jansen	Wards 9, 10	Zolani and Ashton

Public participation

A comprehensive public participation policy was developed and adopted by the municipality to ensure that all its decisions are made by stakeholder input. This policy provides a framework for public participation in the Breede River Winelands Municipal area. The policy builds on the input from the Draft National Policy Framework for Public Participation. It supports the commitment of the National Government to deepen democracy, which is embedded in the Constitution and above all to provide for participatory engagements at a grassroots level.

The Ward Committees, CDWs and stakeholders are the vehicles for public participation processes. The Breede River Winelands Municipality is regarded as a good example for other municipalities.

Ward Committee Summit: 23rd June 2009

Cape Winelands District Municipality hosted a Ward Committee Summit on 23rd June 2009 and Breede River Winelands Municipality was identified as the best local municipality for the effective functioning of ward committees. The key objective of the ward committee summit was held:

- To create an environment for enhanced synergy amongst municipalities in the district on the functioning of ward committees.
- To gain an understanding of the contribution of the ward committees to improve service delivery.
- To discuss the role of municipalities in supporting ward committees.
- To discuss how the structuring of the ward committees can ensure credible participation of the different sectors.

2nd Annual Review of the Cape Winelands District Municipality (2007/2011) IDP and Budget

The Council of CWDM approved its Revised Draft 2009/10 IDP and Revised Draft Medium Term Revenue and Expenditure Framework for 2009/10, 2010/11 and 2011/12.

Municipal Delegation: Two ward committee members per ward to attend the IDP/Budget Hearing. Transport was coordinated by Breede River Winelands Municipality.



CHAPTER SIX

BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Cape Winelands District Municipality: Disaster Management training, May 2009

- + Negotiate co-operation with 'Vallei FM' for purposes of a timeslot to enhance public participation.

Cape Winelands District Municipality and Food & Trees for Africa, greening project, March 2009

Food & Trees for Africa in collaboration with Cape Winelands District Municipality distributed trees in our municipal area. Our CDWs were part of this project. Certificates were given to all key role players who contributed to the success of this greening project.

Future plans

Goals for 2009/10

- + Transport: Purchase a minibus for Ward Committees.
- + Appoint Community Development Workers.

Adhoc projects

- + March 2009 CDWs assisted the Finance Department with logistic arrangements and administrative support pertaining to the indigent applications in all ten wards. (Distributing of flyers and loud hailing in conjunction with the Traffic Department).





Oorweging van 2008/2009 Jaarverslag

Kennis geskied hiermee volgens artikel 46(2) van die Wet op Plaaslike Regering: Munisipale Stelsels 2000 (Wet 32 van 2000), soos gewysig, en Artikel 127(5) van die Wet op Plaaslike Regering, Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) dat die Raad van die Breërivier/Wynland Munisipaliteit se Jaarverslag 2008/2009 (wat insluit die Prestasieverslag en Ouditverslag vir die jaareindigend 30 Junie 2009) ter insae lê vir kommentaar by alle munisipale kantore en openbare biblioteke tot 26 Februarie 2010.

Enige persone wat nie kan skryf nie, mag na die munisipale kantore kom gedurende kantoor-ure, waar 'n personeellid hulle sal bystaan met die neerskryf van hulle kommentare of vertoë.

VERBALE KOMMENTAAR EN VERTEENWOORDIGING:

Town	CDW	OFFICE -NUMBER
Montagu	Charmain Swanepoel	0236148000
Bonnievale	Lindiwe Kahla (Bella)	0236168000
Bonnievale	Pieter Kortje	0236163590
Robertson	Octavia Richards Liemens	0236268000
Mcgregor	Johannes Jansen	0236251159
Ashton	Lucrecia Jansen	0236158000

Kommentaar/besware moet skriftelik aan die Munisipale Bestuurder gerig word, voor of op 26 Februarie 2010.

Consideration of the 2008/2009 Annual Report

Notice are hereby given, in terms of Section 46(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, and Section 127(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that the 2008/2009 Annual Report (which includes the Performance Report and the Audit Report for the year ending 30 June 2009) is now made public for inspection and comments. The Annual Report may be accessed at all municipal offices and public libraries.

Any person who cannot write may come to the Municipal offices during office hours, where a staff member of the municipality will assist to transcribe their comments or representation.

FOR VERBAL COMMENTS AND REPRESENTATION CONTACT

Town	CDW	OFFICE -NUMBER
Montagu	Charmain Swanepoel	0236148000
Bonnievale	Lindiwe Kahla (Bella)	0236168000
Bonnievale	Pieter Kortje	0236163590
Robertson	Octavia Richards Liemens	0236268000
Mcgregor	Johannes Jansen	0236251159
Ashton	Lucrecia Jansen	0236158000

All comments or representation (verbal and written) must be lodged with the Municipal Manager before 26 February 2010.

SA MOKWENI
MUNISIPALE BESTUURDER
MUNICIPAL MANAGER

Privaatsak X2 Private Bag
ASHTON
6715